

6th February 1928

# LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

Volume I

*(1st February to 7th March, 1928)*

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## SECOND SESSION

OF THE

## THIRD LEGISLATIVE ASSEMBLY, 1928



DELHI  
GOVERNMENT OF INDIA PRESS  
1928



# Legislative Assembly.

## *President :*

THE HONOURABLE MR V. J. PATEL.

## *Deputy President :*

MAULVI MUHAMMAD YAKUB, M.L.A.

## *Panel of Chairmen :*

MR. M. A. JINNAH, M.L.A.

SIR DARCY LINDSAY, KT., C.B.E., M.L.A.

MR. K. C. NEOGY, M.L.A.

MR. M. R. JAYAKAR, M.L.A.

## *Secretary :*

MR. L. GRAHAM, C.I.E., I.C.S.

## *Assistants of the Secretary :*

MR. D. G. MITCHELL, C.I.E., I.C.S.

MR. S. C. GUPTA, BAR.-AT-LAW.

MR. G. H. SPENCE, I.C.S.

## *Marshal :*

CAPTAIN SURAJ SINGH, BAHADUR, I.O.M.

## *Committee on Public Petitions :*

MAULVI MUHAMMAD YAKUB, M.L.A., *Chairman.*

SIR HARI SINGH GOUR, KT., M.L.A.

MR. N. M. JOSHI, M.L.A.

MR. JAMNADAS M. MEHTA, M.L.A.

DR. A. SUHRAWARDY, M.L.A.

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# LEGISLATIVE ASSEMBLY.

Monday, 6th February, 1928.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

## MEMBER SWORN:

Sir Walter Stuart James Willson, Kt., M.L.A. (Associated Chambers of Commerce: Nominated Non-Official).

## QUESTIONS AND ANSWERS.

### ADMISSION OF THE DEPRESSED CLASSES TO HOTELS, RESTAURANTS, ETC., RUN BY HIGH CASTE HINDUS.

113. \***Rao Bahadur M. C. Rajah:** (a) With reference to the answer given by Government to question No. 54 on 22nd August, 1927, relating to colour bar against Indians in Edinburgh, will the Government of India be pleased to state, if it is a fact that several public hotels and restaurants and places of amusement in India run entirely by so-called high caste Hindus refuse admission to Indians (Adi-Hindus, depressed classes) merely on grounds of caste?

(b) If so, will the Government be pleased to state what steps they propose to take in the matter?

**The Honourable Mr. J. Crerar:** I propose, with your permission, to answer questions Nos. 113, 115 and 116 together. I think the Honourable Member will recognize that the issues raised are such as I could not deal with adequately within the limits of a reply. If he will communicate to me any specific instances of the nature which he has in mind, in which any infringement of lawful rights is entailed, I shall be glad to consider the advisability of further enquiry.

### ADMISSION OF STUDENTS BELONGING TO THE DEPRESSED CLASSES TO PUBLIC SCHOOLS.

114. \***Rao Bahadur M. C. Rajah:** (a) Is it a fact that in India, Indian students (Adi-Hindus, depressed classes) are not admitted in several public schools, and State-aided private schools managed by so-called high caste Hindus merely on grounds of caste?

(b) Will the Government of India be pleased to call for a report on the subject and place it on the table?

**Mr. G. S. Bajpai:** (a) and (b). The Government of India regret that they do not possess complete information as in all Governors' provinces

Education is now a provincial subject. They are, however, calling for particulars and will endeavour to include them in the next issue of the Quinquennial Review on Education issued by them. The Review is now under preparation.

#### DISABILITIES OF THE DEPRESSED CLASSES.

†115. **\*Rao Bahadur M. C. Rajah:** (a) Is it a fact that in India, Indians (Adi-Hindus, depressed classes) are not allowed to pass through several public streets, are not allowed to draw water from several public wells and tanks, and are not allowed to rest in several public inns or choultries merely on the ground of caste?

(b) Will the Government of India be pleased to call for a report on this subject and place it on the table?

#### ADMISSION OF THE DEPRESSED CLASSES INTO HINDU TEMPLES.

†116. **\*Rao Bahadur M. C. Rajah:** (a) Is it a fact that in India, Indians (Adi-Hindus, depressed classes) are not allowed into temples (Hindu temples) for worshipping God, merely on the ground of caste?

(b) Will the Government of India be pleased to call for a report on this subject and place it on the table?

#### THE GOVERNMENT SCHOOL OF ART, CALCUTTA.

117. **\*Mr. Anwar-ul-Azim:** (a) Will the Government be pleased to state what control, if any, Government exercise over the Calcutta Art School?

(b) How much does it cost the Government to maintain the School?

(c) What facilities are given to the public to take advantage of the institution?

**The Honourable Sir Bhupendra Nath Mitra:** (a) The Government School of Art, Calcutta, is under the control of the Government of Bengal.

(b) and (c). No information is available with the Central Government.

#### ALLEGED RUDE BEHAVIOUR OF THE PONDICHERRY POLICE TO MR. K. C. NEOGY AND SIR EBRAHIM HAROON JAFFAR.

118. **\*Mr. B. Das:** (a) Has the attention of the Government been drawn to the statement in the Press that Mr. K. C. Neogy, an Honourable Member of this House and the Honourable Sir Ebrahim Haroon Jaffar of the other House were rudely treated by the Pondicherry police while they were on a visit to Sri Aurobindo Ghosh?

(b) Were the members of the C. I. D. of the Governments of Madras and India stationed at Pondicherry a party to the insults offered to these two Members of the Central Legislature?

#### ALLEGED RUDE BEHAVIOUR OF THE PONDICHERRY POLICE TO MR. K. C. NEOGY AND SIR EBRAHIM HAROON JAFFAR.

119. **\*Mr. B. Das:** (a) Have the Government asked the French Government of Pondicherry for any explanation as to why Indian citizens were so insulted by the officials of that Government?

†For answer to this question, see answer to question No. 113.

(b) Will Government be pleased to lay on the table all correspondence that passed between the Government of India or the Government of Madras on one side and the French Government on the other on this subject?

**Sir Denys Bray:** With your leave, Sir, I shall answer questions Nos. 118 and 119 together. My information of the alleged incident is confined solely to a press reference; I have heard nothing from either of the two gentlemen themselves. Government do not propose to move in the matter.

**Mr. B. Das:** Did the Government feel that an Honourable Member of this House was insulted?

**Sir Denys Bray:** I did not quite catch the Honourable Member's question . . . . .

**Mr. President:** Nor did I.

**Mr. B. Das:** Did the Government realise that a Member of this House was insulted by the French police?

**Sir Denys Bray:** Government saw a reference in the Press to an alleged incident. I have received no confirmation whatever from the Honourable gentlemen themselves.

SHADOWING BY THE BRITISH AND FRENCH POLICE OF VISITORS TO  
MR. AUROBINDO GHOSH OF PONDICHERY.

120. **\*Mr. B. Das:** (a) Will Government be pleased to state if Mr. Aurobindo Ghosh is still treated as a political suspect by them?

(b) Will Government be pleased to state whether visitors to Mr. Aurobindo Ghosh are shadowed by British and French police at their instance or is it at the instance of the Madras Government?

**The Honourable Mr. J. Crerar:** (a) Government are not prepared to disclose the views they may hold about individuals.

(b) They have no information about these allegations.

ATTENDANCE OF MEMBERS OF THE GOVERNMENT OF INDIA AT THE INDIAN  
COMMERCIAL CONGRESS.

121. **\*Mr. B. Das:** (a) Will Government be pleased to state if they received any invitations from the Indian Commercial Congress held at Madras last Christmas week?

(b) Did any member of the Government of India—either the Honourable Member for Commerce or the Honourable Member for Industries and Labour—attend the Indian meeting last Christmas at Madras?

(c) Was not a similar invitation extended in the year 1926 to attend the Calcutta Congress?

(d) Did either of the Members for Commerce or Industries attend the Calcutta Indian Commercial Congress in 1926, Christmas week?

(e) Is it not a fact that the Honourable Mr. (now Sir David) Chadwick attended the Delhi session of the Indian Commercial Congress?

(f) Is it not a fact that at the Budget Session that year the Honourable Sir Charles Innes strongly denied non-co-operation with the Congress of

the Indian Chambers by the members of the Government of India and mentioned that his Secretary, Mr. Chadwick, represented his Department at the Indian Commercial Congress?

(g) Is it not a fact that both the Honourable Members for Commerce and Industries attended the Calcutta session of the Associated European Chambers of Commerce at Calcutta last year?

(h) Is it not a fact that both these Honourable Members took part in the debates held under the auspices of that body?

(i) Is it not a fact too that both these Members attended the previous session in 1926 with a similar object?

**The Honourable Sir George Rainy:** (a) Neither the Honourable Member for Industries and Labour nor I received an invitation to attend the last session of the Indian Commercial Congress at Madras.

(b) No.

(c) I am not aware whether Sir Charles Innes, who was then the Honourable Member for Commerce received an invitation to attend the Congress held at Calcutta in 1926. The Honourable Member for Industries and Labour has no recollection whether he received an invitation to attend that Congress.

(d) No.

(e) Yes.

(f) Sir Charles Innes stated that he was unable to attend the Delhi Session of the Indian Industrial and Commercial Congress because the Assembly was then sitting and that his Secretary had attended in his place.

(g) to (i). Yes, at the invitation of the Associated Chambers of Commerce.

**Mr. B. Das:** May I inquire if the Honourable Sir Charles Innes, Commerce Member at that time, was invited by the Indian Commercial Congress during the Delhi session, and how is it that those invitations were stopped by that body?

**The Honourable Sir George Rainy:** I have stated that Sir Charles Innes received an invitation to attend the Delhi Congress. As regards the latter part of the Honourable Member's question I am afraid I did not clearly understand it.

#### IGNORING BY THE GOVERNMENT OF INDIA OF THE CONGRESS OF FEDERATED INDIAN CHAMBERS OF COMMERCE.

122. **\*Mr. B. Das:** Will the Honourable Member for Commerce be pleased to state if his Department has two different policies (a) one for European commercial bodies and (b) another for Indian Commerce, and will he be pleased to state the reasons which led the Government of India to ignore the Congress of Federated Indian Chambers of Commerce?

**The Honourable Sir George Rainy:** The Government of India have not different policies for European and Indian commercial bodies, and have not in any way ignored the Congress of Federated Indian Chambers of Commerce.

RECOMMENDATIONS OF THE FEETHAM COMMISSION REGARDING THE ESTABLISHMENT OR EXTENSION OF LOCAL SELF-GOVERNMENT IN KENYA.

123. \***Pandit Hirday Nath Kunzru**: Have Government received the Report of the Feetham Commission which investigated recently the question of the establishment or extension of local self-government in Kenya? If so, will they place a copy of it in the Library?

**Mr. G. S. Bajpai**: Copies of the Report referred to by the Honourable Member have been received and one copy has been placed in the Library of the House, as requested.

**Pandit Hirday Nath Kunzru**: May I ask whether it is not a fact that the Feetham Commission proposals largely increase the European element?

**Mr. G. S. Bajpai**: That statement is substantially correct.

REPRESENTATION OF EUROPEANS AND INDIANS IN THE NAIROBI MUNICIPALITY.

124. \***Pandit Hirday Nath Kunzru**: (a) Does the Nairobi Municipality contain 4 representatives of the Indian community and 7 of the European community at present?

(b) Has the Feetham Commission recommended the extension of the municipal limits? Is it a fact that in the enlarged municipal area there are about 3,600 Europeans and 8,000 Indians?

(c) Has the Commission proposed that if the municipal boundary is enlarged Indians should be allotted 5 and Europeans 11 seats on the municipality?

(d) Will the electorates be joint or communal?

REPRESENTATION OF EUROPEANS AND INDIANS IN THE MOMBASA DISTRICT COUNCIL.

125. \***Pandit Hirday Nath Kunzru**: (a) Is it a fact that the European and Indian population of Mombasa is 720 and 9,097 respectively?

(b) Are there 7 nominated Europeans and 4 nominated Indians in the Mombasa District Council?

(c) Has the Feetham Commission recommended that in future European and Indian representation should be either 13 and 4 or 15 and 6 respectively?

**Mr. G. S. Bajpai**: I propose, with your permission, Sir, to answer questions 124 and 125 together.

The information desired by the Honourable Member will be found in the Feetham Commission's Report, Volume I, at pages 46, 47, 49, 51, 54, 62 and 63 as regards Nairobi and pages 247, 261, 264 and 265 as regards Mombasa.

RIGHTS OF INDIANS IN NAIROBI AND MOMBASA.

126. \***Pandit Hirday Nath Kunzru**: What steps have Government taken to secure for Indians their due rights in Nairobi and Mombasa?

**Mr. G. S. Bajpai**: The Government of India have submitted representations to His Majesty's Secretary of State for India with the suggestion that these be communicated to the authorities concerned.

**Pandit Hirday Nath Kunzru:** Are Government aware that the Feetham Commission has laid down the principle that it is essential that the European community should under present circumstances be entrusted with a larger measure of responsibility for the municipal government of Nairobi and Mombasa? Have they taken any steps to protest specifically against this racial principle?

**Mr. G. S. Bajpai:** Government are aware of the principle referred to by the Honourable Member. He will realise that it is not possible for me, at this stage, when the correspondence with the Secretary of State is confidential, to disclose the exact nature of the representations made, but I can assure him that we have taken into account in our representation every aspect of the recommendations which affects Indians.

#### NATURALISATION OF INDIANS IN THE UNITED STATES OF AMERICA.

127. **\*Pandit Hirday Nath Kunzru:** (a) Will Government make a full statement with regard to the present position of Indians in regard to naturalisation in the United States of America?

(b) Have the United States Government decided to pass legislation to secure the rights of Indians naturalised before 1923?

(c) Is it proposed to make the new law applicable only to those Indians whose appeals were pending before the American courts? If so, what steps have Government taken to have the law extended to those Indians who did not or were not able to appeal against the decisions of courts of first instance invalidating the rights of citizenship?

**Sir Denys Bray:** (a) I would refer the Honourable Member to my answer to a somewhat similar question put by Mr. Gaya Prasad Singh on the 23rd August, 1927.

(b) and (c). I am not aware of any such decision.

#### TOTAL NUMBER OF RESIGNATIONS OF OFFICERS IN ALL THE DEPARTMENTS OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY SINCE 1923.

128. **\*Mr. Fazal Ibrahim Rahimtulla:** What is the total number of resignations of officers in all the Departments of the Madras and Southern Mahratta Railway since 1923?

**Mr. A. A. L. Parsons:** The information is being obtained and will be supplied to the Honourable Member in due course.

#### INDIAN OFFICERS IN THE TRAFFIC DEPARTMENT OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

129. **\*Mr. Fazal Ibrahim Rahimtulla:** Is it a fact that 2 Hindu and 2 Muhammadan officers in the Traffic Department of the Madras and Southern Mahratta Railway were asked to leave and that a Sikh officer of 8 years' standing applied for transfer to the Bengal Nagpur Railway?

**Mr. A. A. L. Parsons:** With your permission, Sir, I propose to answer together questions Nos. 129, 130, 131, 132, 134, 135 and 136. They relate to internal arrangements or to the filling of vacancies in subordinate appointments on the Madras and Southern Mahratta Railway, which are solely the concern of the Agent and Board of Directors of that Railway and with which, as the Honourable Member will realise, the Government of India have neither the power nor the desire to interfere. But I should

add with regard to paragraph (a) of question No. 134, that there is no general rule or practice on State-managed Railways of giving a six months' period of grace to an officer who fails in an examination.

**APPOINTMENT OF TWO TRAINS CLERKS OF AN ENGLISH RAILWAY IN THE TRAFFIC DEPARTMENT OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.**

130. **\*Mr. Fazal Ibrahim Rahimtulla:** Is it a fact that two vacancies in the scale of Rs. 600 in the Traffic Department of the Madras and Southern Mahratta Railway have been filled by the Train Clerks of an English Railway?

**EMPLOYMENT ON PROBATION FOR SIX YEARS OF TWO INDIAN OFFICERS OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.**

†131. **\*Mr. Fazal Ibrahim Rahimtullah:** (a) Is it a fact that two Indian officers in the Madras and Southern Mahratta Railway were kept on probation for six years?

(b) If so, why?

**PRELIMINARY EFFICIENCY EXAMINATION IN THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.**

†132. **\*Mr. Fazal Ibrahim Rahimtulla:** (a) What is the necessity of the preliminary efficiency examination in the Madras and Southern Mahratta Railway when there are already final departmental, language and efficiency bar examinations to be passed? Is this examination in vogue on any other Railway in India?

(b) Was this examination in force prior to 1921, or was it found essential only after the recruitment of Indians under the Reforms?

(c) Is it a fact that European officers had only two papers to answer in two days, and that it was only a matter of form for them, whereas others had to answer three papers in one day?

**LEAVE RULES OF INDIAN OFFICERS OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.**

133. **\*Mr. Fazal Ibrahim Rahimtulla:** Why has no decision been arrived at since 1921 in regard to Indian officers who serve in the Madras and Southern Mahratta Railway under subordinate leave rules, who were told on engagement that the matter was under the consideration of the Government of India?

**Mr. A. A. L. Parsons:** Government understand that all officers serving on the Madras and Southern Mahratta Railway are now given the benefit of the superior leave rules of that Railway.

**NUMBER OF CHANCES GIVEN TO INDIAN OFFICERS OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY TO PASS THE EFFICIENCY BAR EXAMINATION.**

†134. **\*Mr. Fazal Ibrahim Rahimtulla:** (a) Is it not a fact that all Railways and every Service of the Government gives six months' period of grace to an officer, should he fail in an examination, to justify a second attempt?

†For answer to this question, see answer to question No. 129.

(b) Is it not a fact that three chances were given to a (Mr. Cory) European officer to pass the probationary examination and that two chances were given to another officer (Mr. Sarkies) to pass the efficiency bar examination?

(c) Why was not a similar privilege extended to two Indian officers who otherwise passed the examinations in Telegraph, Audit, Signal Engineering and Deputy Chief Engineer (Construction) and who gave a good account of themselves in the test of actual practice, *e.g.*, in writing technical reports on Wagon Interchange, Remodelling of Junction Yards, etc.?

(d) Are good reports and annual confidential reports, and daily good work the standard of efficiency? If not, what else is expected of Indians?

#### LANGUAGE EXAMINATION ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

†135. \***Mr. Fazal Ibrahim Rahimtulla**: Is it a fact that in fixing the language examination the General Traffic Manager of the Madras and Southern Mahratta Railway in the case of one Indian officer fixed Hindustani and in another case fixed Tamil, when both the officers came from the same part of India?

#### GRANT OF LEAVE TO INDIAN OFFICERS OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

†136. \***Mr. Fazal Ibrahim Rahimtulla**: Is it a fact that a European officer, Mr. W. R. Creek of the Stores Department of the Madras and Southern Mahratta Railway was given eight months' combined leave and his services terminated thereafter, while in the case of an Indian officer under identical circumstances he was allowed only half of his hard earned privilege leave?

#### USE OF A UNIFORM BILL OF LADING FOR TRADE WITH INDIA.

137. \***Sir Purshotamdas Thakurdas**: (a) Is it a fact that the original object underlying the Indian Carriage of Goods by Sea Act of 1925 was the use of a uniform bill of lading for trade with India?

(b) Is it a fact that shipping companies concerned with the trade of India have got over the use of a uniform bill of lading by stamping across the form of the bill of lading a "clause paramount"?

(c) Are Government aware that this procedure has complicated the form of bill of lading instead of simplifying it?

(d) Are Government aware that the British Federation of Traders Associations and the London Chamber of Commerce have protested against this device of shipping companies trading with India?

(e) Have the Government of India had any complaints from commercial bodies in India and in London about this method adopted by the shipping companies?

(f) Will Government be pleased to put on the table copies of such complaints if any?

(g) Will Government be pleased to state if they propose to do anything to remedy this *impasse* that appears to have been reached?

†For answer to this question, see answer to question No. 129.

**The Honourable Sir George Rainy:** (a) The object of the Indian Carriage of Goods by Sea Act of 1925 was to give the force of law to the rules set out in the Schedule to the Act, with a view to establishing the responsibilities, liabilities, rights and immunities attaching to carriers' under bills of lading, but the Act does not prescribe the use of a uniform bill of lading.

(b) It is a fact that the shipping companies by stamping a "clause paramount" across the form of the bill of lading comply with the requirements of the Act.

(c) Government have received complaints to this effect.

(d) and (e). The reply is in the affirmative.

(f) Copies of the communications received have been placed in the Library.

(g) The Government consider that it is for the interests concerned to settle between themselves a form of bill of lading which meets satisfactorily the requirements of the Act.

**Sir Purshotamdas Thakurdas:** Do Government think that the interests concerned can get this done if the other side stick to the policy they have at present adopted?

**The Honourable Sir George Rainy:** I think, Sir, that if the shippers including not only shippers in this country but also shippers in the United Kingdom and in Europe—combine, they could put much greater pressure upon the shipping companies than the Government of India can do.

**Sir Purshotamdas Thakurdas:** Am I to take it that the Government then feel that this is not a subject in which their interference is either required or advisable?

**The Honourable Sir George Rainy:** No, Sir; the Government of India would be very glad to do anything they could to help, but they do not feel that the principal share of the burden falls upon them, and it must be for the shippers in the first instance to try and devise some means by which the difficulty can be overcome. If the Government of India could do anything to help they would be very glad to do it.

**Sir Purshotamdas Thakurdas:** Do the Government of India propose to wait until the shippers absolutely refuse to ship by the liners unless they change their bills of lading? Is that what the Government of India really want done?

**The Honourable Sir George Rainy:** I do not think it would be an unreasonable attitude on the part of the Government of India, Sir, for them to say that the community principally concerned should in the first instance take such steps as are possible to protect themselves.

**Sir Purshotamdas Thakurdas:** The Government of India then think that failure of the steps taken till now is not enough to move the Government of India to further action?

**The Honourable Sir George Rainy:** I am afraid, Sir, that no practicable means by which the Government of India can give material assistance have yet been pointed out.

**Sir Purshotamdas Thakurdas:** Legislation, Sir. Is not that a practicable means?

**The Honourable Sir George Rainy:** I am exceedingly doubtful whether legislation confined to India would be of any particular service.

REVISION OF PAY OF POSTMEN IN THE BOMBAY PRESIDENCY.

138. **\*Haji Abdoola Haroon:** Will Government be pleased to state:

- (a) Whether it is a fact that a scheme for the revision of pay of postmen of the Bombay Presidency is before the Government?
- (b) If so, will Government be pleased to state whether in that scheme due consideration will be given to those postmen whose children avail themselves of education in the secondary schools the expenses of which they are unable to bear?

**The Honourable Sir Bhupendra Nath Mitra:** (a) Yes.

(b) No discrimination is intended in respect of the class referred to.

EDUCATIONAL FACILITIES FOR THE SONS OF POSTMEN IN THE BOMBAY PRESIDENCY.

139. **\*Haji Abdoola Haroon:** Will Government be pleased to state whether any facilities already exist for the education of the sons of postmen in the Bombay Presidency?

**The Honourable Sir Bhupendra Nath Mitra:** Sons of postmen can presumably avail themselves of the same facilities for education in the Bombay Presidency as are open to the sons of other individuals of the same standing. No educational facilities are provided by the Department.

GRANT OF CASUAL LEAVE TO THE STAFF OF THE CURRENCY OFFICE, BOMBAY.

140. **\*Mr. N. M. Joshi:** Will Government be pleased to state:

- (a) Whether it is a fact that great difficulty is experienced by the staff in the Bombay Currency Office in getting casual and other kinds of leave?
- (b) Whether it is a fact that even for a short casual leave the official is required to produce a medical certificate?
- (c) Whether it is a fact that officials who have not enjoyed even a few days casual leave in the course of the year have been denied the leave and given leave only on average pay?

DIFFERENT KINDS OF LEAVE ENJOYED BY OFFICIALS IN THE CURRENCY OFFICE, BOMBAY, FROM 1925-26 TO 1927-28.

141. **\*Mr. N. M. Joshi:** Will Government be pleased to give the statement showing the different kinds of leave enjoyed by officials in the Bombay Currency Office in the years 1925-26, 1926-27 and 1927-28?

GRANT OF A BONUS TO MR. M. S. TIKEKAR OF THE CURRENCY OFFICE, BOMBAY.

142. **\*Mr. N. M. Joshi:** Will Government be pleased to state:

- (a) Whether it is a fact that one Mr. M. S. Tikekar who was serving in the Bombay Currency Office had to tender his resignation

on account of the refusal to sanction the leave that was due to him when he was badly in want of leave?

- (b) Whether Government have received any memorial from Mr. M. S. Tikekar in the matter requesting the grant of a bonus due to him for the period of his service and the pay for the period of leave last taken by him and treated as wilful absence under Fundamental Rule 73?
- (c) If the answer to (b) above be in the affirmative, whether the Government have considered the said memorial and if so, with what result?

**The Honourable Sir Basil Blackett:** I propose to reply to questions Nos. 140, 141 and 142 together. The Government are making enquiries and will communicate the result to the Honourable Member in due course.

#### CONSTRUCTION OF THE BAUSI-NAYA DUMKA-SAINTHIA RAILWAY.

143. **\*Raja Raghunandan Prasad Singh:** Will the Government be pleased to state how far the scheme of extending the Bausi line *via* Naya-Dumka to Sainthia (East Indian Railway Loop) has progressed?

**Mr. A. A. L. Parsons:** The Bausi Naya-Dumka Sainthia Railway is still under investigation by the East Indian Railway Administration.

#### MEDICAL RELIEF FOR THE EUROPEAN AND INDIAN EMPLOYEES OF THE LOCOMOTIVE DEPARTMENT AT JAMALPUR, EAST INDIAN RAILWAY.

144. **\*Raja Raghunandan Prasad Singh:** Is it a fact that for affording medical aid and relief to the European railway employees in the Locomotive Department at Jamalpur, East Indian Railway, there is an Assistant Surgeon, whereas for Indian employees there is a Sub-Assistant Surgeon only? If so, do the Government propose to remove this distinction at an early date?

**Mr. A. A. L. Parsons:** Enquiry is being made and the Honourable Member will be informed.

#### NUMBER OF INDIANS, EUROPEANS AND NATIVES IN BRITISH GUIANA.

145. **\*Pandit Hirday Nath Kunzru:** (a) Will Government state what is the number of Indians, Europeans and Natives in British Guiana?

(b) Are powers of taxation vested in the Combined Court which has a non-official majority?

**Mr. G. S. Bajpai:** (a) A statement giving the figures of population of the various communities inhabiting British Guiana is laid on the table.

(b) Yes.

*Estimate of Population in British Guiana.*

Races.	Males.	Females.	Totals.
Europeans (other than Portuguese)	1,823	1,406	3,229
Europeans (Portuguese)	4,090	4,480	8,570
East Indians	68,649	38,259	126,908
Chinese	1,600	1,191	2,791
Aborigines	4,642	4,628	9,270
Blacks	58,573	62,989	121,562
Mixed Races	15,920	18,084	34,004
Other Races and Races not stated	189	321	510
<b>Totals—</b>			
Males	155,486	..	..
Females	..	151,358	..
Persons	..	..	306,844

**SAFEGUARDING OF THE EXISTING AND FUTURE RIGHTS OF INDIANS IN BRITISH GUIANA.**

146. **\*Pandit Hirday Nath Kunzru:** (a) Did a Commission appointed by the Secretary of State for the Colonies in 1926 to enquire into the economic condition of British Guiana and presided over by Mr. Roy-Wilson recommend that the Government of British Guiana should have the ultimate power of carrying into effect measures which they consider essential for the well-being of the colony? Did it propose that a Commission should be appointed by the Governor to consider the best method of achieving this purpose?

(b) Did the Secretary of State for the Colonies accept both the recommendations referred to in (a) above and direct the appointment of a local Commission?

(c) Did the Government of India make any representation against the acceptance of the principle that the constitution of the Colony should be altered so as to take away its powers of financial control and vest them in the Executive Government?

(d) What was the personnel of the Commission? Has it reported?

(e) Have Government received the reports of the Wilson Commission and the local Commission? If so, will they place copies of them in the Library.

(f) Are Government aware that the Indian community in British Guiana views the situation with grave alarm and considers that it is proposed to alter the constitution of the Colony in order to reduce permanently their power and influence?

(g) What steps are Government taking to assist Indians and to safeguard their existing and future rights?

**Mr. G. S. Bajpai:** (a) Yes.

(b) The Secretary of State for the Colonies did accept the recommendation of the Roy-Wilson Commission to appoint a local Commission to "advise upon the steps which should be taken to confer power upon the Governor to carry into effect measures which he and the Secretary of State consider essential for the well-being of the Colony," but so far as the Government of India are aware no decision has yet been arrived at in regard to the principle that such powers should be conferred on the Governor.

(c) No. It was considered that it would be premature to make any representations on this point until the report of the local Commission was available, and it was established that Indian interests would be adversely affected by any action that may be contemplated in respect of that Commission's recommendations.

(d) and (e). The report of the British Guiana Constitution Commission has been published as Command Paper No. 2985 of 1927 and gives the personnel of the Commission. A copy of this report has been placed in the Library of the House. A copy of the report of the Roy-Wilson Commission has also been placed in the Library.

(f) The Government of India have received no representations direct from the Indian community in British Guiana, but have received a copy of a communication purporting to have been addressed by the British Guiana East Indian Association to the Imperial Citizenship Association, Bombay.

(g) Government have made certain enquiries in order to ascertain the probable effect on Indian rights and privileges of the recommendations of the local Commission. If on receipt of this information, they consider that Indian interests are likely to be adversely affected, suitable representations will forthwith be made to the authorities concerned.

**Pandit Hirday Nath Kunzru:** May I ask whether the Government are aware that the Indians form the largest single element in the population and that if the powers of the Legislature are diminished their future is likely to be more affected than that of any other element in the population?

**Mr. G. S. Bajpai:** As regards the first part of the question, Sir, the Honourable Member is correct. As regards the second part of the question, I should ask him to wait until he has read the report. It is presumably a matter of opinion as to whether the proposed change of constitution will or will not affect Indian interests to such an extent as to justify representations by the Government of India.

**Pandit Hirday Nath Kunzru:** Am I to understand that the Government of India have come to the conclusion that no representation is to be made so far as the question of the effect of the change of constitution on Indian interests is concerned?

**Mr. G. S. Bajpai:** I think, Sir, I have already pointed out that the Government of India have asked for certain information. Until that information is received, and what is even more important, until the Government of India know that the principal recommendations of the Roy-Wilson Commission in regard to a change in constitution are accepted, it will be premature for me to say that the Government of India have arrived at any decision. All that I can say is that they have arrived at no decision on any point.

**Pandit Hirday Nath Kunzru:** Do the Government of India propose to make representations only when changes in the constitution of the Colony have been decided upon by the Imperial Government?

**Mr. G. S. Bajpai:** The Honourable Member is assuming that the alteration of the constitution has been decided on. What I submit is that, so far as we are aware, no such decision has been arrived at. We have asked for certain particulars, and, on receipt of those particulars, if we think that representations are necessary, either because the principle of a change of constitution is involved or because the recommendations of the Commission adversely affect Indian interests in any way, then representations will be made.

#### TRAVELLING ALLOWANCES OF SUPERINTENDENTS OF POST OFFICES AND GAZETTED POSTMASTERS.

147. **\*Mr. Anwar-ul-Azim:** Is it a fact that a Superintendent of Post Offices with an initial pay of Rs. 300 is entitled to first class travelling allowance whereas a gazetted Postmaster even on the maximum pay of Rs. 650 is destined to get only second class travelling allowance? If it is so, will the Government be pleased to state the reasons for this preferential treatment of that class of officials?

**The Honourable Sir Bhupendra Nath Mitra:** In view of the importance and extent of the administrative charges of Superintendents of Post Offices, and of the fact that they are expected to be on tour for the greater part of the year, they are granted first class travelling allowance. Postmasters are not touring officers and Government sees no necessity for granting to gazetted Postmasters on Rs. 350—650 the concession allowed to Superintendents of Post Offices.

#### APPOINTMENT OF BABU B. G. KUNDU AS ASSISTANT POSTMASTER GENERAL, BURMA.

148. **\*Mr. Anwar-ul-Azim:** Is it a fact that Babu B. G. Kundu, Office Superintendent of the P. M. G.'s office in Burma has been appointed an A. P. M. G., Burma, in preference to a large number of passed candidates for Superintendents' appointments in the waiting list? If so, will the Government be pleased to state the reasons for the preferential treatment of this particular individual?

**Mr. H. A. Sams:** Rai Sahib B. G. Kundu, Office Superintendent of the Postmaster-General's office, is officiating as Assistant Postmaster-General in a vacancy as a local arrangement and has not been permanently appointed to the post.

In agreeing to the officiating appointment the Government of India took into consideration the fact that Rai Sahib B. G. Kundu was nominated as long ago as 1914 by successive Postmasters General of Burma to appear at the examination for Superintendent. These nominations were not accepted by the Director General of the time principally because of his desire to introduce as many Burmans as possible into the rank of Superintendents in Burma. There was no question of the Rai Sahib not being qualified in every way nor was there any question of his ability to pass the prescribed examination. Had the nominations been accepted any time between 1914 and 1918, Mr. Kundu would by now have been a Superintendent in view of the fact that those who passed the examination prior to 1919 have since been promoted to the rank of Superintendent.

RECOGNITION BY THE INDIAN POSTAL DEPARTMENT OF THE WORK OF MR. S. A. M. CHOUDHURY, IN CONNECTION WITH THE SEIZURE OF PARCELS CONTAINING OPIUM AND CHARAS.

149. **\*Mr. Anwar-ul-Azim:** In an answer to an interpellation of mine in the last Session it was admitted by the Government that Mr. S. A. M. Choudhury, late an Assistant Postmaster in the Calcutta G. P. O., was responsible for the seizure in the Calcutta G. P. O. of a number of parcels containing opium and charas contraband exceeding 2 maunds. Was that splendid work of Mr. Choudhury suitably recognised by the Department?

**Mr. H. A. Sams:** Yes, Mr. Choudhury received promotion.

SANCTION OF A PEON OR ORDERLY FOR THE POSTMASTER, CHITTAGONG.

150. **\*Mr. Anwar-ul-Azim:** Is it a fact that no peon or orderly has yet been sanctioned for the Postmaster, Chittagong, although the pay of the Postmaster has been raised to that of the gazetted rank with effect from the 1st November last? Is it a fact that even the Assistant Postmasters in the Presidency Offices have peons attached to them?

**Mr. H. A. Sams:** Government have no information on either point nor do they propose to call for information. They must leave it to the Postmasters General concerned to settle these questions of peons in various offices with reference not to the status of officers concerned but to the exigencies of the public service.

RECRUITMENT OF INDIANS TO THE SUPERIOR REVENUE ESTABLISHMENT OF RAILWAYS DURING THE YEARS 1921-24.

151. **\*Pandit Hirday Nath Kunzru:** (a) Is it a fact that the Local Traffic Service was created in 1921 and that recruitment to it was stopped in 1925?

(b) Were Indians appointed to posts in the Superior Revenue Establishment during the years 1921—24?

**Mr. A. A. L. Parsons:** The answer to both parts of the question is in the affirmative.

QUALIFICATIONS OF DIRECTLY RECRUITED MEN IN THE LOCAL TRAFFIC SERVICE OF RAILWAYS.

152. **\*Pandit Hirday Nath Kunzru:** (a) Will Government state:

How many of the Local Traffic Service men are promoted subordinates and how many have been directly recruited to it?

What are the qualifications of the directly recruited men?

How many of them possess European qualifications?

Is it a fact that their qualifications are superior to those of some men in the Superior Service?

(b) Did promotions from the subordinate to the Superior Service take place before 1921?

**Mr. A. A. L. Parsons:** (a) Fourteen are direct recruits and fifteen promoted subordinates. Of the direct recruits, five received their railway training on English railways, and the remainder possessed good educational qualifications.

(b) Yes.

### ANNUAL INCREMENTS OF OFFICERS IN THE LOCAL TRAFFIC SERVICE OF RAILWAYS.

153. **\*Pandit Hirday Nath Kunzru:** Is it a fact that while officers in the Local Traffic Service receive an annual increment of Rs. 20 only their subordinates in the Engineering, Carriage, Wagon and Loco. Departments receive an annual increment of Rs. 25?

**Mr. A. A. L. Parsons:** Yes. The scale of pay of the Local Traffic Service is Rs. 250—20—750. The scales of pay of some senior subordinate grades have an increment of Rs. 25, for example Train Examiners on the East Indian Railway get Rs. 300—25—400.

### INSTITUTION OF A LOCAL TRAFFIC SERVICE ON THE GREAT INDIAN PENINSULA RAILWAY.

154. **\*Pandit Hirday Nath Kunzru:** Has a Local Traffic Service been instituted on the Great Indian Peninsula Railway? Is it a fact that the Great Indian Peninsula Railway authorities were opposed to the creation of such a service?

**Mr. A. A. L. Parsons:** The answer to the first part of the question is in the negative. Government are not prepared to indicate the opinions of individual officers.

**Pandit Hirday Nath Kunzru:** May I inquire whether the Great Indian Peninsula Railway authorities were consulted with regard to the institution of such a service?

**Mr. A. A. L. Parsons:** The matter was discussed with them, Sir

### TRANSFER OF INDIANS ORIGINALLY APPOINTED TO THE SUPERIOR TRAFFIC SERVICE OF RAILWAYS TO THE LOCAL TRAFFIC SERVICE.

155. **\*Pandit Hirday Nath Kunzru:** Have any Indians who were originally appointed to the Superior Traffic Service been transferred to the Local Traffic Service? If so, what is their number and why were they virtually degraded?

**Mr. A. A. L. Parsons:** The answer is in the negative.

**Pandit Hirday Nath Kunzru:** Is it not a fact that there were three men originally appointed to the higher service who were subsequently transferred to the lower service and that one of them subsequently resigned?

**Mr. A. A. L. Parsons:** The Honourable Member's knowledge of these details is very much greater than mine. I am quite prepared to assume that he is correct.

**Pandit Hirday Nath Kunzru:** I take it then that the Honourable Member takes back his previous answer.

### ABOLITION OF THE LOCAL TRAFFIC SERVICE OF RAILWAYS, ETC.

156. **\*Pandit Hirday Nath Kunzru:** How long has the question of abolishing the Local Traffic Service been under consideration? Do Government propose to promote the directly recruited men to the Superior Service? If so, when?

**Mr. A. A. L. Parsons:** Since 1925. At present 20 per cent. of the Indian recruitment to the Transportation, Traffic and Commercial Departments may be made by promotion from the Local Traffic Service and subordinates, and this provision is being used to promote qualified men from the Local Traffic Service. Two appointments to the Superior Service from the Local Traffic Service were made in this way in 1927.

**Pandit Hirday Nath Kunzru:** Have Government, after considering the whole question, arrived at this decision, or do they propose to take further steps to promote directly recruited men to the higher service?

**Mr. A. A. L. Parsons:** To which decision is the Honourable Member referring?

**Pandit Hirday Nath Kunzru:** The decision announced by him just now, in pursuance of which two men belonging to the subordinate service have been promoted.

**Mr. A. A. L. Parsons:** That decision was in accordance with the new rules for recruitment to the superior traffic service which were published in a resolution some months ago—I forget the exact date, but copies are in the Library.

**Pandit Hirday Nath Kunzru:** Has any decision been arrived at in pursuance of the consideration which the Honourable Member said during the last Session of the Assembly was being given to the question of the promotion of local service men to the higher service?

**Mr. A. A. L. Parsons:** The actual position with regard to the Local Traffic Service is this. The question whether it should be abolished has not yet been decided; it is connected with the much bigger question of the general organization of railway services, and the position as regards that question is now much the same as it was last Session.

**Pandit Hirday Nath Kunzru:** Apart from the question of the abolition of the service, has any decision been arrived at with regard to the promotion of the directly recruited men to the higher service, leaving the promoted subordinates in the local service for the time being?

**Mr. A. A. L. Parsons:** No decision, except that explained in my answer to the main question, has been reached.

**Pandit Hirday Nath Kunzru:** Is the matter still under consideration?

**Mr. A. A. L. Parsons:** I am not sure that I understand the question exactly. We are not considering . . . . .

**Pandit Hirday Nath Kunzru:** May I explain my meaning to my Honourable friend? My question refers to the promotion of the directly recruited men in the subordinate service to the higher service.

**Mr. A. A. L. Parsons:** We are not proposing to take any steps for the promotion of directly recruited men from the Local Traffic Service to the superior service other than those which I have explained in reply to the main question.

**Pandit Hirday Nath Kunzru:** Then what did the Honourable Member mean by saying during the last Session of the Assembly that the whole question of the abolition of the service and the promotion of these men was under consideration?

**Mr. A. A. I. Parsons:** I think I have made the position clear. We are considering the position of the whole of the Local Traffic Service, directly recruited men and promoted subordinates in that service, in connection with the general reorganization of railway services. At the same time we have introduced certain methods of recruitment under which Local Traffic Service men, if qualified, and subordinates can get promotion to the superior service. The question of the general reorganization, which will affect the Local Traffic Service, is still under consideration. The question of the recruitment for the superior service of traffic men, which affects the Local Traffic Service, is no longer under consideration, and the orders with regard to it have issued.

**Pandit Hirday Nath Kunzru:** Am I to understand that the directly promoted men and subordinates who have been promoted will be treated on the same footing even though the directly recruited men contain five men with European qualifications?

**Mr. President:** Order, order. This is degenerating into a debate.

## UNSTARRED QUESTIONS AND ANSWERS.

### PAY OF TOWN INSPECTORS OF POST OFFICES, CALCUTTA.

18. **Dr. A. Suhrawardy:** Will the Honourable Member in charge of Labour and Industries be pleased to state whether it is a fact that the eight Town Inspectors of Post Offices, Calcutta, had before 1920 distinctly superior grades of Rs. 80 and Rs. 100 as contrasted with the inferior grades of Rs. 60, 80 and Rs. 100 for Muffassil Inspectors of Post Offices and the Railway Mail Service?

**The Honourable Sir Bhupendra Nath Mitra:** Before 1920 the grades for Muffassil Inspectors of Post Offices and R. M. S. were Rs. 60, 80, 100, and 100—150, which were superior to the grades for Town Inspectors in Calcutta.

### PAY OF MUFFASSIL INSPECTORS OF POST OFFICES AND THE RAILWAY MAIL SERVICE.

19. **Dr. A. Suhrawardy:** Is it a fact that by the revision recommended in 1921 by the Haseltine Committee, the Muffassil Inspectors of Post Offices and the R. M. S. were placed on a new scale of Rs. 100—5/2—170, and that all the then permanent Inspectors (passed or unpassed) were automatically brought on to that scale in preference to the seniors in the clerical line in the grades of Rs. 60, 70, 80 and Rs. 90?

**The Honourable Sir Bhupendra Nath Mitra:** No. The new scale sanctioned in 1920 for Inspectors of Post Offices and the Railway Mail Service was Rs. 100—5—175. As the Inspectors and the head clerks of Superintendents formed a separate cadre their automatic admission to this scale did not constitute preferential treatment over their seniors in the clerical line.

### REVISED SCALE OF PAY OF TOWN INSPECTORS OF POST OFFICES, CALCUTTA.

20. **Dr. A. Suhrawardy:** (a) Is it a fact that since 1921 the Calcutta Town Inspectors were placed on the newly introduced scale

of Rs. 45-5-140 without any change in their supervisory duties and responsibilities as distinguished from the merely clerical duties of clerks in Calcutta on the same scale of pay, *viz.*, Rs. 45-5-140?

(b) If so, was the case of the Calcutta Town Inspectors under the consideration of the Directorate since 1922, and that at last by Indian Government order No. 11-P. T. E., dated 5th August, 1927, all the existing permanent Inspectors were given the revised scale of pay, *viz.* Rs. 160-10-250, with effect from 1st September, 1927?

**The Honourable Sir Bhupendra Nath Mitra:** (a) Yes.

(b) No. A selection grade of Rs. 160-10-250 was introduced from 1st September, 1927, for Town Inspectorships in Calcutta in the Government order, dated the 5th August 1927, but it was clearly stated in that order that with the introduction of the revised scales the duties and responsibilities attaching to those posts would be enhanced. By a subsequent Government order, dated 15th September, 1927, it was announced that the existing incumbents would possess no exclusive right of appointment to the new posts in the selection grade by virtue of their having held charge of the old inferior posts of Town Inspectorships.

#### REVISED SCALE OF PAY OF TOWN INSPECTORS OF POST OFFICES, CALCUTTA.

21. **Dr. A. Suhrawardy:** (a) Will the Government be pleased to state whether, with the introduction of the revised pay, the Town Inspectors were required to perform all the duties of the Muffassil Inspectors as laid down in Chapter III of P. O. Manual, Volume II?

(b) Is it a fact that the Calcutta Town Inspectors are doing all the duties of Muffassil Inspectors in addition to the duties of Town Inspectors as laid down in Chapter IV of P. O. Manual II ever since 1916 under orders of the competent authority?

(c) If so, why should not all the eight permanent Calcutta Town Inspectors (passed or unpassed) be automatically brought on to the revised pay of Rs. 160-10-250 like all the permanent Muffassil Inspectors (passed or unpassed) and like the Town Inspectors of the Bombay and Madras and Rangoon Head Offices?

**The Honourable Sir Bhupendra Nath Mitra:** (a) Yes.

(b) No.

(c) Does not arise.

#### REVISED SCALE OF PAY OF TOWN INSPECTORS OF POST OFFICES, CALCUTTA.

22. **Dr. A. Suhrawardy:** (a) Will the Government be pleased to state whether it is a fact that the revision was granted as a result of persistent agitation by the Town Inspectors for several years?

(b) Is it intended that the men who held the appointments of Town Inspectors substantively for several years should be penalized now that the revision has been granted to remove their grievances?

**The Honourable Sir Bhupendra Nath Mitra:** (a) No.

(b) The question of penalisation does not arise.

## INSPECTORS OF THE RAILWAY MAIL SERVICE, CALCUTTA.

23. **Dr. A. Suhrawardy:** Will the Government be pleased to state whether the Inspectors attached to the Calcutta Railway Mail Service under the same Presidency Postmaster were automatically brought on to the revised grade in preference to their seniors for the simple reason that they were holding the appointments substantively?

**The Honourable Sir Bhupendra Nath Mitra:** Those holding substantively the posts of Inspectors in the Calcutta Railway Mail Service which are borne on a separate cadre were automatically brought on to the new scale of pay on the revision of the old scale. No question arose of their being given preference to others outside the cadre and therefore unaffected by the revision.

## OBSERVANCE OF THE PENULTIMATE SATURDAY OF THE MONTH AS A HOLIDAY BY ALL BRANCHES OF THE IMPERIAL BANK OF INDIA.

24. **Mr. G. Sarvotham Rao:** Will the Government be pleased to state:

- (a) whether it is a fact that only some Branches of the Imperial Bank of India observe the penultimate Saturday of the month as a holiday?
- (b) whether there is any special reason which precludes all the Branches of the Imperial Bank from observing the penultimate Saturday as a general bank holiday?
- (c) whether there are, at present, no regulations appertaining to the grant of leave to the employees in the subordinate services of the Imperial Bank?
- (d) whether, or not, it is proposed to adopt the Fundamental Rules in force in the Government services, for this purpose?

## INDIANISATION OF THE STAFF OF THE IMPERIAL BANK OF INDIA.

25. **Mr. G. Sarvotham Rao:** Will the Government be pleased to state:

- (a) whether a Memorandum of a scheme for training Indians for service in the Imperial Bank of India was published some time after the formation of the Imperial Bank of India?
- (b) whether the benefit of such a scheme is being given to capable educated Indians, already in the service of the Bank, as other than probationary assistants?
- (c) whether the claims of employees in the Cash Department of the Bank are being considered to the same extent as others, for promotion to the grades contemplated in the Memorandum?
- (d) whether they will lay figures on the table as to the number of graduates in the service of the Bank as probationary assistants and cashiers in the several circles, and the rate per cent. at which they were promoted as second grade officers during the past five years?
- (e) whether the scheme set forth in the Memorandum has now been temporarily suspended?

- (f) whether it is the intention of the Government to include any stipulation relative to the rate of Indianisation of the Imperial Bank of India staff in the new contract arising out of the Reserve Bank Bill?

**The Honourable Sir Basil Blackett:** The Government of India have no information on the questions raised by the Honourable Member. As I have explained on a previous occasion, the Government of India are not at liberty to obtain information regarding details of the Imperial Bank's business for the purpose of answering questions in the Legislature.

#### EMPLOYMENT OF WOMEN CLERKS IN THE POST OFFICE.

26. **Mr. G. Sarvotham Rao:** Will the Government be pleased to state:

- (a) whether it is a fact that the Director General of Posts and Telegraphs has prescribed a low percentage of women for employment as clerks in the Post Office? If so, what is the percentage, and why such a limit is prescribed?
- (b) why, if women are willing to take up appointments on the same scale and under the same conditions as men, there is any necessity to restrict their number?
- (c) whether there is no understanding at present that preference should be given to the sons of officials of the Postal Department in regard to the recruitment of clerks? If so, whether it is proposed to extend the same concession to the daughters or widows of such officials, who have been left in destitute circumstances?
- (d) whether there were applications from daughters or widows of deceased postal officials within the past one year for employment in the Madras Postal Circle? If so, how such applications were disposed of?
- (e) whether any applications were received from any daughters or widows for clerical appointments? If so, how many of them were rejected and on what grounds? To which community the applicants belonged?
- (f) whether all restrictions in regard to the number of women for recruitment to the Post Office will be removed without delay, if women with the prescribed educational qualifications are forthcoming and are willing to serve on the same scale of pay as men?
- (g) whether it is the intention of the Government to renew the contract for recruitment of candidates from the orphanages, such as in the Nilgiris?

**The Honourable Sir Bhupendra Nath Mitra:** (a) Yes. The prescribed percentage is 1 per cent. of the total number of officials of the clerical cadre in a postal circle. This restriction does not apply to the Burma Circle. It is considered that this restriction is necessary as women clerks are allowed to be employed on specially high scales of pay in all circles except Burma, where they are employed on the ordinary time scales of pay applicable to men.

(b) Until recently the ordinary clerical time scales of pay were not sufficiently attractive to enable women of a suitable class to take up clerical post in the Post Office. Now that these scales have been improved the question of abolishing the special rates for women clerks and of removing the existing restrictions upon their employment is under consideration.

(c) Every endeavour is made to provide for the dependents of deceased officials of the Department by employing them in the Department as far as this is feasible consistently with their qualifications. The same concession can be extended to daughters and widows of deceased officials, if they possess the necessary qualification and are otherwise suitable.

(d) Yes. Two such applications were received. One applicant was offered an appointment on the ordinary time scale but she declined to accept it. The other was informed that there was no vacancy.

(e) If the Honourable Member will kindly specify the period for which the information is required, I shall try to send him a reply.

(f) The Honourable Member is referred to the answer given in part (b).

(g) Government are not aware of any such contract nor do they understand the purport of the question.

#### ACTION TAKEN ON THE RECOMMENDATIONS OF THE DECK PASSENGERS' COMMITTEE.

27. **Mr. G. Sarvotham Rao:** Will the Government be pleased to state:

(a) what action has been taken on the recommendations of the Deck Passengers' Committee Report?

(b) whether there is any agency created to inspect the carrying capacity of passenger steamers?

**The Honourable Sir George Rainy:** (a) I would refer the Honourable Member to the answer given by me on the 22nd August, 1927, to a similar question by Mr. Gaya Prasad Singh, and would add that the Board of Trade, who were asked to lend the services of a qualified Ship Surveyor, have arranged to send one, who is expected to arrive very shortly. The Government of India also decided to associate with the Board of Trade Surveyor an officer of the Royal Indian Marine, who has had nautical training with the Board of Trade, to deal with the nautical aspect of the question. This officer has already joined and is now examining the question of deck accommodation.

(b) Under the provisions of the Indian Merchant Shipping Act, 1923, the carrying capacity of a passenger steamer comes under the examination of Government Surveyors when conducting a survey of such vessels.

#### UNEMPLOYMENT IN INDIA.

28. **Mr. G. Sarvotham Rao:** Will the Government be pleased to state:

(a) whether, in pursuance of a Resolution moved in this House on the subject of unemployment, the Government of India addressed Local Governments on the subject?

(b) whether the Government of India are aware of the action taken by the Local Governments?

- (c) If the answer to (b) be in the affirmative, will the Government of India place on the table of the House reports received from the Local Governments?

**The Honourable Sir Bhupendra Nath Mitra:** (a) Yes.

(b) The circular letter from the Government of India did not call for reports from Local Governments. So far as the Government of India are aware Unemployment Committees have been appointed in Bengal, Madras, the Punjab and the United Provinces. The Reports of the Committees appointed in Bengal and Madras have already been published. An enquiry into middle-class unemployment was also undertaken by the Bombay Labour Office.

- (c) Does not arise.

CONSTITUTION OF THE LOCAL ADVISORY COMMITTEES OF THE MADRAS AND SOUTHERN MAHRATTA AND SOUTH INDIAN RAILWAYS.

**29. Mr. G. Sarvotham Rao:** Will the Government be pleased to state: .

- (a) whether the constitution of the Local Advisory Committees of the Madras and Southern Mahratta Railway and the South Indian Railway differs in many respects?
- (b) whether the Railways concerned consulted the Local Governments in framing their constitutions?
- (c) whether the Railways concerned are submitting for the consideration of the Committees all the subjects mentioned under "scope of duties" in the Memorandum circulated by the Railway Board?
- (d) whether there have been occasions when rates and fares, and changes of goods classification have been carried out before obtaining the advice of the Advisory Committee?

**Mr. A. A. L. Parsons:** (a) The bodies and interests represented naturally vary, as the Railways serve different areas. For example, the Government of Bombay and the Mysore Durbar are represented on the Madras and Southern Mahratta Railway's Advisory Committee and not on the South Indian Railway's. The Tuticorin Chamber of Commerce, Travancore and Cochin Darbars are represented on the latter and not on the former.

(b) Government are not aware whether the Local Governments concerned were directly consulted by the Railway Administrations, but they have representatives on both Committees.

(c) From the proceedings of the Committee this would appear to be the case.

(d) There is no obligation on the Railways to consult their Committees on all cases of proposed changes in rates and fares. but it will be seen from the proceedings that the Committees have been consulted on several occasions, and it is always open to a member to ask for a discussion of any change made.

## SLEEPERS FOR RAILWAYS.

30. **Mr. G. Sarvotham Rao:** Will the Government be pleased to state:

- (a) whether returns from Railways are received relating to the supply of railway sleepers?
- (b) whether the Railways have in all cases obtained prior approval of the Railway Board before accepting contracts for a period exceeding a year?
- (c) whether the permission of the Railway Board has been obtained for replacing wooden sleepers by steel sleepers?
- (d) whether the Central Advisory Committee has been given an opportunity to consider this question before any Railway was permitted to prefer steel sleepers to timber sleepers?

**Mr. A. A. L. Parsons:** (a), (b) and (c). Yes.

(d) No. There is no question of new policy involved. Steel sleepers have been in use on Indian Railways for at least thirty-five years.

**QUESTIONS ON WHICH THE SOUTH INDIAN RAILWAY CONSULTED ITS LOCAL ADVISORY COMMITTEE.**

31. **Mr. G. Sarvotham Rao:** Will the Government be pleased to state briefly and in general in what matters the South Indian Railway consulted the Local Advisory Committee, and the action taken by the Railway Administration on the recommendations made by the Committee?

**Mr. A. A. L. Parsons:** I would refer the Honourable Member to the Quarterly Summaries of the Proceedings of the Local Advisory Committees of Railways which are in the Library.

**RESOLUTION RE UPKEEP OF FISH-CURING YARDS IN THE MADRAS PRESIDENCY.**

32. **Mr. G. Sarvotham Rao:** Will the Government be pleased to state:

- (a) if the Government of Madras have replied to the reference relating to the Resolution moved in the Council of State on the management and upkeep of fish-curing yards in the Madras Presidency?
- (b) whether they are aware that there is strong public opinion in favour of the proposal contained in the said Resolution?
- (c) whether the Government of Madras, before submitting their opinion, have consulted the fish-curers?

**The Honourable Sir Basil Blackett:** The answer to the first question is in the affirmative, while in regard to the second and third questions the Government have no information.

CONSUMPTION OF ALCOHOLIC LIQUORS IN COORG, AJMER-MERWARA AND BALUCHISTAN.

33. **Mr. G. Sarvotham Rao:** Will the Government be pleased to state:

(a) whether the reports called for, regarding the rate of consumption of alcoholic liquors in the Local Administrations of Coorg, Merwara, Ajmere and Baluchistan, have been received?

(b) the nature of the action proposed to be taken on these reports?

(c) whether they will place the reports on the table of the House?

**The Honourable Sir Basil Blackett:** (a) The answer is in the affirmative.

(b) No action is proposed to be taken.

(c) Copies have been placed in the Library.

DECLARATION BY CERTAIN LOCAL GOVERNMENTS OF PROHIBITION AS THE ULTIMATE GOAL OF THEIR EXCISE POLICY.

34. **Mr. G. Sarvotham Rao:** (a) Are Government aware that, while the Excise policy of the Government of India is "Maximum of revenue and minimum of consumption", many Local Governments have declared Prohibition as the goal of their Excise policy?

(b) If so, is it a fact that consistent with their policy the Government of India are not permitting such Local Governments, as have declared themselves for Prohibition, to take the necessary steps to reach their goal?

(c) Is it a fact that the Government of India have ruled that, as long as Finance is a reserved subject, measures calculated to affect in any way the revenues of a Province cannot be undertaken without the previous consent of the Government of India?

(d) Is it a fact that, in view of such a ruling, some Ministers have not been able to effect any reforms in the Excise administration, as they are likely to affect the revenues of the Province?

**The Honourable Sir Basil Blackett:** (a) Though the epigrammatic phrase used by the Honourable Member in describing the policy of the Government of India is a familiar one, that policy is, more accurately speaking, one of temperance, providing facilities for persons requiring wholesome refreshment but a price likely to discourage abuse of intoxicating liquors. It is true that certain Local Governments have declared Prohibition as the ultimate goal of their Excise policy.

(b) As the Honourable Member is aware, the administration of Excise is a provincial transferred subject, and the powers of intervention by the Governor General are strictly limited by rule 49 of the Devolution Rules.

(c) The answer is in the negative.

(d) Does not arise.

COMPULSORY MILITARY TRAINING FOR COLLEGE STUDENTS.

35. **Mr. G. Sarvotham Rao:** Will the Government be pleased to state which of the Universities have considered the question of providing compulsory military training for college students, and in how many cases the Local Governments have given effect to their wishes? \*

**Mr. G. S. Bajpai:** The information asked for is being collected.

ALLEGATIONS IN THE *BIJLI* AND *PARTAP* AGAINST THE SUPERINTENDENT OF POST OFFICES, LUDHIANA DIVISION.

36. **Pandit Thakur Das Bhargava:** 1. Has the attention of the Government been drawn to the articles:

- (a) "Mahakma Dak, Ludhiana Division" appearing in the issue of 5th September, 1927, of the weekly paper *Bijli*, Registered No. L.-1903.
- (b) "Superintendent Sahib Dak Khanajat Ludhiana Division ke karname; muslim nawazi ke chand munazir" appearing in the issue of 24th October, 1927, of the same paper.
- (c) "Superintendent Sahib Dak Khanejat Ludhiana Division ke karname" appearing in the issue of 31st October, 1927, of the same paper.
- (d) in the *Partap* newspaper, dated 15th October, 1927, and has any enquiry been made into these allegations?

2. Is it a fact that the allegations contained in the articles referred to in question 1, and specific complaints comprised therein are substantially correct?

3. (a) Is it a fact that more than one hundred officials of the time-scale have been transferred by the Superintendent since his taking over charge in August, 1927?

(b) What is the exact number of such officials transferred by him since he took over charge?

(c) Is it a fact that the motive underlying the transfers was to send the Muslim clerks to their home stations?

(d) Is it a fact that Muslim officials were transferred to their homes or places near their homes without travelling allowances, and the travelling allowances of Hindu officials sent to replace them were borne by the Government? If so, why?

4. Is it a fact that several Muslim clerks who were transferred by the predecessor of the present Superintendent on account of their long stay at Ludhiana, and other stations, were retransferred by the present Superintendent within a short time of his taking over charge?

5. Is it a fact that one Kishen Lal, stamp vendor of Ferozepore City Post Office, who was a matriculate, and was duly appointed by the Sub-Postmaster of that office, has been dismissed, and a Muhammadan substituted instead?

**Mr. H. A. Sams:** 1. Government have seen the articles referred to in (a), (b) and (c) of this part. The Honourable Member has not been able to furnish me with the copy of *Partap* referred to in (d).

2-5. Information is being collected and will be supplied to the Honourable Member in due course.

NUMBER OF APPEALS RECEIVED BY THE DEPARTMENT AGAINST ORDERS OF THE PRESENT SUPERINTENDENT OF POST OFFICES, LUDHIANA DIVISION.

37. **Pandit Thakur Das Bhargava:** Will the Government state:

- (a) Number of appeals received by the Department, against orders of the present Superintendent of Post Offices, Ludhiana, during the last four years?
- (b) Number of successful appeals?
- (c) Number of Hindu and Muhammadan appellants?

**Mr. H. A. Sams:** The information asked for by the Honourable Member is being collected and will be supplied to him in due course.

REMOVAL FROM SERVICE OF AMIR CHAND BY THE SUPERINTENDENT OF POST OFFICES, LUDHIANA DIVISION.

38. **Pandit Thakur Das Bhargava:** (a) Is it a fact that one Amar Chand, whose candidature was approved by the Postmaster General, Punjab, has been removed from service by the Superintendent of Post Offices, Ludhiana, on the sole ground of his being a subject of the Patiala State?

(b) If so, are the Government prepared to consider the advisability of reinstating the said Amar Chand?

**Mr. H. A. Sams:** (a) The name of the candidate referred to by the Honourable Member is Amir Chand. His candidature was cancelled by the Postmaster General (and not by the Superintendent) as it subsequently transpired that Amir Chand did not belong to the Revenue Division in which he wanted to enlist.

(b) Government do not propose to interfere with the discretion of the Postmaster General in the matter.

TRAVELLING ALLOWANCE BILL OF THE SUPERINTENDENT OF POST OFFICES, LUDHIANA DIVISION, FOR THE MONTHS OF SEPTEMBER TO DECEMBER 1927.

39. **Pandit Thakur Das Bhargava:** Will the Government kindly state.

- i. (a) the amount of the travelling allowance bill of the Superintendent of Post Offices of Ludhiana Division during the months of September, October, November, and December, 1927?
- (b) the amount of the travelling allowance bill of the Superintendent of Post Offices, Ludhiana, during the same months of the year 1926?
- ii. the explanation, if any, for this difference?

**Mr. H. A. Sams:** i. (a) Rs. 953-14-0.

(b) Rs. 576-4-0.

ii. The Superintendent in 1927 presumably did more travelling than the Superintendent in 1926.

**ALLEGATIONS AGAINST THE PRESENT SUPERINTENDENT OF POST OFFICES,  
LUDHIANA DIVISION.**

40. **Pandit Thakur Das Bhargava:** (a) Is it a fact that there have been persistent complaints against M. Shajauddin Khan, the present Superintendent of Post Offices of Ludhiana Division for his aggressive communal tendencies in the various Divisions in which he was employed?

(b) Are Government aware that there is a feeling of great dissatisfaction and insecurity among the Hindu postal subordinates in the Punjab?

**The Honourable Sir Bhupendra Nath Mitra:** (a) Government have no information on the subject.

(b) No.

**DISTURBANCE IN CONNECTION WITH EXECUTION AND BURIAL OF ABDUL  
RASHID IN DELHI.**

41. **Pandit Thakur Das Bhargava:** (a) Did the Government apprehend that some trouble might crop up on the occasion of the execution and burial of Abdul Rashid in Delhi?

(b) Did the Government make any arrangements to insure public tranquillity and peace? If so, what precautions were taken and what arrangements were made?

(c) Was any extra police posted? Were there any armoured cars ready, or were the military asked to prepare themselves for any contingencies that might arise? Is there a telephonic connection between the Jail, the District Magistrate's residence, and army and police quarters?

(d) Is it a fact that proposals were made to hang Abdul Rashid outside Delhi? If not, why not?

(e) Is it a fact that two or three days before Abdul Rashid was hanged a crowd of Muslims besieged the Central Jail, and demanded Abdul Rashid's body?

(f) Is it a fact that the police knew beforehand that the Muslims of Delhi were urged to assemble in their thousands to honour Abdul Rashid as a martyr?

**The Honourable Mr. J. Crerar:** (a) Yes.

(b) Yes. The precautions mentioned by the Honourable Member in the next part of his question were taken.

(c) Yes.

(d) The question was at one time considered, but for sufficient reasons was not pursued.

(e) Two days before the execution about 1,000 Muslims collected outside the Jail under the impression that Abdul Rashid had already been hanged and asked for his body. They were orderly, and on being informed that the execution had not taken place returned to their homes.

(f) It was known that late on the night before the execution some persons visited several mosques and invited those there to attend funeral prayers outside the jail next day.

## STRENGTH AND COST OF THE POLICE IN DELHI.

42. **Pandit Thakur Das Bhargava:** What is the strength of the police and C. I. D. men in Delhi, and what was the cost of the police and C. I. D. departments during the year 1927 for Delhi Province?

**The Honourable Mr. J. Crerar:** The total strength of the police force and the strength of the Criminal Investigation Department establishment at Delhi is 1,665 and 65 respectively. The cost of the force in 1927 was Rs. 8,83,610.

## LOSSES SUFFERED BY THE HINDUS DURING THE DISTURBANCE IN CONNECTION WITH THE EXECUTION AND BURIAL OF ABDUL RASHID IN DELHI.

43. **Pandit Thakur Das Bhargava:** (a) Have the Hindus of Delhi memorialized the Government in connection with the disturbances of 14th November, 1927? If so, will the Government lay on the table a copy of the memorial and also please state what action it has taken or proposes to take to compensate the Hindus for their losses to person and property consequent upon the riot of 14th November, 1927?

(b) Is it a fact that the administration of Delhi was very bitterly criticised by the Press all over India, especially the English Press which went so far as to compare the insecurity of Delhi of 14th November, 1927, to that of a Russian or Chinese village?

**The Honourable Mr. J. Crerar:** (a) Government have received no such memorial.

(b) Government are not aware of the particular writings to which the Honourable Member refers.

## RE-INTRODUCTION OF RETURN TICKETS ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

44. **Pandit Thakur Das Bhargava:** (a) What were the concessions before the War on the Bombay, Baroda and Central India Railway in regard to tickets for return journeys?

(b) Were the concessions discontinued as in the other railway lines during the War?

(c) Is it a fact that while many other railway administrations, e.g., the East Indian Railway and the North Western Railway have seen their way to restore the previous concessions, the Bombay, Baroda and Central India Railway has not yet recovered its previous position in regard to such concessions?

(d) By what time do the Bombay, Baroda and Central India Railway propose to introduce the old concessions for return journeys?

**Mr. A. A. L. Parsons:** I am obtaining the information for the Honourable Member and will send it to him as soon as it is received.

## RESERVATION OF SEATS IN INTERMEDIATE AND THIRD CLASS RAILWAY CARRIAGES FOR NIGHT JOURNEYS.

45. **Pandit Thakur Das Bhargava:** Has the North Western Railway introduced the facility of the reservation of seats in intermediate and third class

carriages for journeys at nights? If so, with what success has the scheme met? Is it contemplated that a similar facility will be extended to other lines including the Bombay, Baroda and Central India Railway?

**Mr. A. A. L. Parsons:** The answer to the first part of the question is in the negative. The other two parts do not therefore arise.

#### CONCESSIONS WITH REGARD TO RETURN JOURNEYS ON THE GREAT INDIAN PENINSULA RAILWAY.

46. **Pandit Thakur Das Bhargava:** (a) Are the concessions with regard to return journeys on the Great Indian Peninsula Railway the same as those obtaining on the North Western and East Indian Railways?

(b) If not, will the Government state the reasons why uniformity of practice is not enforced on all Government railway lines?

**Mr. A. A. L. Parsons:** (a) No.

(b) Local conditions vary so much on different railways that uniformity of practice is neither feasible nor desirable.

#### RUNNING OF INTERMEDIATE CLASS CARRIAGES ON THE GREAT INDIAN PENINSULA RAILWAY.

47. **Pandit Thakur Das Bhargava:** Is it a fact that intermediate class carriages are not attached to all passenger trains on the Great Indian Peninsula Railway? If so, what are the reasons for the existing practice? Has any representation been received by the Railway Board, or Traffic Manager, Great Indian Peninsula Railway, from Ballabgarh men in this respect? If so, with what result?

**Mr. A. A. L. Parsons:** Intermediate class accommodation is not provided on all trains on the Great Indian Peninsula Railway; for, except on trains on which full use is likely to be made of it, it is preferable to provide instead more accommodation for third class passengers. A representation was received from Ballabgarh on the subject of fares and classes generally, and the writer was referred to the Agent of the Railway since the matters dealt with were within the Agent's competence.

#### RUNNING OF INTERMEDIATE CLASS CARRIAGES ON THE DELHI-BHATINDA SECTION OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

48. **Pandit Thakur Das Bhargava:** Is it a fact that intermediate class carriages are not attached to all passenger trains on the Bombay, Baroda and Central India Railway on the Delhi-Bhatinda section?

**Mr. A. A. L. Parsons:** Yes. The two through trains between Delhi and Bhatinda are provided with intermediate class accommodation, but 8 trains which run between Rewari and Delhi and four trains which run between Rewari and Bhatinda are not.

#### HARASSMENT OF THIRD CLASS PASSENGERS BY THE POLICE AND BOOKING CLERKS AT THE BOOKING OFFICE OF THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY AT DELHI, ETC.

49. **Pandit Thakur Das Bhargava:** (a) Is it a fact that repeated complaints have been received from members of the public in general that at the third class passengers booking office, Bombay, Baroda and Central

India Railway at Delhi the police constables on duty and the booking clerks play havoc with people's money and time, and exercise great tyranny over them?

(b) Have the Railway Administration taken any steps to remedy this state of affairs or enquire into the matter? If not, what are the difficulties in their way?

(c) Are Government aware that third class passengers are put to great trouble, on account of the existence of the horizontal wooden bars at the gate in the passengers' shed of the third class on the Bombay, Baroda and Central India Railway? Do such bars exist on the East Indian Railway gate for third class passengers? In view of the great trouble specially when a good number of passengers have to pass, do the railway authorities intend to order their removal and enforce the use of the other existing gate also at the train time?

**Mr. A. A. L. Parsons:** (a), (b) and (c). Government have received no complaints from the public on the matters mentioned by the Honourable Member, but a copy of the question has been sent to the Agent, Bombay, Baroda and Central India Railway, for such action as may be necessary.

#### APPOINTMENT OF INDIANS TO SUPERIOR POSTS IN THE GOVERNMENT OF INDIA SECRETARIAT.

50. **Pandit Thakur Das Bhargava:** 1. With reference to para. 2 of Home Department, No. F.-29-23-Establishment, dated Simla, the 7th May, 1923, regarding the appointment of Indians as Secretary, Joint Secretary, or Deputy Secretary in every Department of the Government of India, a copy of which was laid on the table of this Assembly on 16th July, 1923, will Government please state the number of persons classified as:

- (i) Members of the I. C. S.,
- (ii) Members of the Provincial Civil Service,
- (iii) Members of the Bar, and
- (iv) Others

it has appointed in the appointments mentioned during the past four and a half years in each Department?

2. Will Government please state:

- (i) What is the present sanctioned strength of Secretaries, Joint, Deputy, Under and Assistant Secretaries in each Department of the Government of India?
- (ii) What were the corresponding figures in 1921?
- (iii) Which of the appointments included in question 1 are held substantively by Europeans and Indians and which by members of the I.C.S., other All-India Services, Provincial Civil Service and other Provincial Services respectively?

**The Honourable Mr. J. Orerar:** I am having the information collected, and will furnish it to the Honourable Member in due course.

## AGE OF RETIREMENT OF CERTAIN HIGH GOVERNMENT OFFICIALS.

51. **Pandit Thakur Das Bhargava:** Will Government please state:

- (i) What high officers of Government such as Governors, Members of the Governor General's and Governors' Executive Councils, Judges of High Courts are required to retire at the age of 60 or thereafter?
- (ii) Is it a fact that other members of the All-India and Provincial Services and in fact with but few exceptions almost all members of superior services are required under the rules to retire on attaining the age of 55?
- (iii) If on attaining the age of 55 a Government servant is ordinarily considered to be physically and mentally incapacitated for further service why is an exception made in the case of the very high officers which are included in (i)?

**The Honourable Mr. J. Crerar:** (i) and (ii). The Honourable Member is referred to Fundamental Rule 56. Of the officers whom he mentions Judges of High Courts are ordinarily required to retire at the age of 60. There is no age limit in the case of the other posts named, retirement taking place on the expiry of the term of office.

(iii) Appointment to the posts to which the Honourable Member refers is made by strict selection for a limited period, and an officer is not selected for such a post unless it is considered that he is fully capable of completing his term of office.

## NOMINATED MEMBERS OF THE LAHORE CANTONMENT BOARD.

52. **Pandit Thakur Das Bhargava:** Will the Government be pleased to state the number of persons other than military officers who are nominated members of the Lahore Cantonment Board? What interests do they represent? Are those interests not otherwise represented on the said Board?

**Mr. G. M. Young:** I am making enquiries and will let the Honourable Member know the result as soon as possible.

## COMPOUNDING OF HIS OCTROI BY A NOMINATED MEMBER OF THE LAHORE CANTONMENT BOARD.

53. **Pandit Thakur Das Bhargava:** Will the Government be pleased to state whether it is a fact that another nominated member of the Lahore Cantonment Board has compounded his octroi? What is the amount of loss on this account to the Board? Was any objection raised against this compounding in the meeting of the Board? If so, with what result?

**Mr. G. M. Young:** I am making enquiries and will let the Honourable Member know the result.

## CONFERMENT OF POWERS ON THE ELECTED VICE-PRESIDENT OF THE LAHORE CANTONMENT BOARD.

54. **Pandit Thakur Das Bhargava:** Will the Government be pleased to state whether any powers have at all been conferred by the official President on the elected Vice-President of the Lahore Cantonment Board? If so, what? If not, why not?

**Mr. G. M. Young:** I am making enquiries and will let the Honourable Member know the result as soon as possible.

#### EXPENDITURE BY THE LAHORE CANTONMENT BOARD ON EDUCATION.

**55. Pandit Thakur Das Bhargava:** What percentage of its total income does the Lahore Cantonment Board spend on public instruction?

**Mr. G. M. Young:** According to the Lahore Cantonment budget for 1927-28 the amount to be spent by the Board on education during the year is about 11 per cent. of the anticipated income.

### MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

#### RAILWAY BUDGET.

**Mr. President:** I have received the following Message from His Excellency the Governor General:

(The Message was received by the Assembly standing.)

*“For the purposes of sub-section (1) of section 67A of the Government of India Act and in pursuance of Rules 43, 46 and 47 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Edward Frederick Lindley, Baron Irwin, hereby appoint the following days for the presentation to the Council of State and to the Legislative Assembly of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of Railways and for the subsequent stages in respect thereof in the Council of State and in the Legislative Assembly, namely:*

<i>Monday, 20th February</i> ...	<i>Presentation in both Chambers.</i>
<i>Wednesday, 22nd February</i> ...	<i>General discussion in the Legislative Assembly.</i>
<i>Thursday, 23rd February</i>	<i>General discussion in the Council of State.</i>
<i>Friday, 24th February</i> ...	} <i>Voting of demands for grants in the Legislative Assembly.</i>
<i>Saturday, 25th February</i> ...	
<i>Monday, 27th February</i> ...	
<i>Tuesday, 28th February</i> ...	
<i>Delhi;</i>	} <i>(Sd.) IRWIN,</i> <i>Viceroy and Governor General.”</i>
<i>The 26th January, 1928.</i>	

### STATEMENT BY THE LEADER OF THE HOUSE.

**The Honourable Sir Basil Blackett** (Leader of the House): I ask your leave, Sir, and the leave of the House to make a statement first of all in regard to the course of action which the Government propose to adopt as the result of your ruling on the question of the introduction of a new Reserve Bank Bill, and, second, in regard to the business of the House during this week.

The Government of course bow to your ruling. The question is how to deal with the situation it creates. In order, however, to make the position regarding the Reserve Bank Bill clear, it is necessary that I should begin by saying a few words as to the reasons for the Government's original decision to introduce, and proceed with, a new Bill rather

[Sir Basil Blackett.]

than proceeding with the consideration of the old Bill. The courses apparently open to the Government were :

- (1) to move for the withdrawal of the old Bill with a view to proceeding with the new one;
- (2) to proceed with the new Bill without making any motion for the withdrawal of the old Bill; and
- (3) to proceed with the old Bill with the intention of getting it transformed eventually into consonance with the views of the Government as set forth in the new Bill.

I said something on Wednesday about the Government's objections to the third course. Those objections have now to be reconsidered in the light of the new situation, and I must revert to them later. In regard to the first two, it was clear that, if a reasonable opportunity was to be given for the public in India generally and Members of the Legislature in particular to acquaint themselves fully with the new proposals of the Government, it was necessary that the new Bill should be published in the Gazette as long as possible before the opening of the Session. It was clearly not practicable to await the opportunity of securing the adoption in this House of a motion for the withdrawal of the old Bill before publishing the new one. Moreover, in the absence of knowledge of what the new proposals of the Government were, the House might very reasonably have objected to agreeing to the withdrawal of the old Bill. Further, the Government were aware that difficulties of procedure might arise in regard to a motion for the withdrawal of the old Bill and that, even if such a motion were accepted by the House, it would not necessarily clear away all possible impediments to the unhampered consideration of the new Bill. The Government therefore decided at an early stage of their examination of the question against any procedure involving a motion for the withdrawal of the old Bill. They have noted with interest that an important passage in the statement which you, Sir, made last Wednesday confirms the correctness of their conclusion. It seemed, therefore, to the Government that the best course was to publish at the earliest possible moment the text of the new Reserve Bank Bill and to decide in favour of proceeding with the new Bill without making any motion in regard to the old. They were unaware that this procedure would or could be regarded as irregular, and assuming its regularity, they held that it was the one most conducive to the dignity and convenience of this House. This procedure has now been ruled by you to be impracticable. The Government have stronger reasons than before for their conclusion that the alternative of moving for the withdrawal of the old Bill will not serve their purpose or that of this House. They are not prepared to abandon altogether the attempt to bring a Reserve Bank into existence at an early date without giving the Legislature a full and clear opportunity of deciding for itself whether it wishes, as the Government believe that it does wish, to secure the establishment of a Reserve Bank on sound lines in India. The Government indeed feel that this House would have cause for dissatisfaction if difficulties of procedure, independent of the merits of the measure in question, were to result in the indefinite postponement of consideration of this important subject.

There remains therefore the third course, namely, to proceed forthwith with the consideration of the old Bill from the point reached in our deliberations last Session. The Government do not conceal from themselves and have not concealed from the House that this course is open to certain objections and involves some inconveniences both to the Government and to the House. Since the publication in the Gazette of January the 14th of the new Reserve Bank Bill, Members have been made acquainted with the form in which the Government would like to see the Reserve Bank Bill passed. If we now proceed with the old Bill, it is inevitable that some portions of the Bill, including some even of those clauses which have not yet been disposed of by this House, cannot be recast at this stage of the discussion into a form in which they are likely to prove finally acceptable to the Government. Nevertheless, in order that a piece of legislation on which so much labour has been spent and so large a measure of agreement has been achieved by the all-round co-operation of all parties in the House—a co-operation which I gladly take this opportunity of acknowledging with gratitude—in order that a measure which the Government believe to be generally regarded as fraught with promise of great benefit to India as a whole may not be jettisoned without, at any rate, one further effort, the Government have come to the conclusion that their best course and the course which will most commend itself to the House will be to resume forthwith consideration of the old Bill. The Government observe that this course was actually recommended by certain speakers on the other side of the House last Wednesday. It is the Government's hope that we shall now be able to turn our minds away from points of procedure and bend our united endeavours to so shaping the measure as to secure the maximum benefit to India. (Applause.)

I now turn to my promised statement of Government business for this week. The statement is a simple one. The House will proceed with the consideration of the Reserve Bank Bill to-day, Wednesday, Friday, and Saturday. To-morrow is a gazetted holiday and the House will not sit. Thursday is allotted for non-official Bills. On Friday, before we proceed with the Reserve Bank Bill, my Honourable friend Sir George Rainy will move to refer to Select Committee the Bill to amend the Indian Merchant Shipping Act, 1923, which he introduced on the 1st of February.

#### THE GOLD STANDARD AND RESERVE BANK OF INDIA BILL.

**Mr. President:** The House will now resume further consideration of clause 8 of the Gold Standard and Reserve Bank of India Bill.

The question was:

“That clause 8 stand part of the Bill.”

Since which the following amendment has been moved:

“In clause (a) of sub-clause (1) of clause 8, for the words ‘a Deputy Governor of whom one shall be an Indian and’, the words ‘two Deputy Governors’ and in the proviso to the same clause for the words ‘Deputy Governor’ the words ‘Deputy Governors’ be substituted.”

As no Honourable Member desires to speak, I will put the amendment to the vote.

The question is that that amendment be made.

The Assembly divided :

AYES—53.

Abdul Aziz, Khan Bahadur Mian.  
 Abdul Qaiyum, Nawab Sir Sahibzada.  
 Ahmad, Khan Bahadur Nasir-ud-din.  
 Alexander, Mr. William.  
 Allison, Mr. F. W.  
 Anwar-ul-Azim, Mr.  
 Ashrafuddin Ahmad, Khan Bahadur  
 Nawabzada Sayid.  
 Ayyangar, Mr. V. K. Aravamudha.  
 Bajpai, Mr. G. S.  
 Blackett, The Honourable Sir Basil.  
 Bray, Sir Denys.  
 Chatterjee, Revd. J. C.  
 Chatterji, Rai Bahadur B. M.  
 Coatman, Mr. J.  
 Cocke, Mr. H. G.  
 Cosgrave, Mr. W. A.  
 Couper, Mr. T.  
 Courtenay, Mr. R. H.  
 Crawford, Colonel J. D.  
 Crerar, The Honourable Mr. J.  
 Dalal, Sardar Sir Bomanji.  
 Ghuznavi, Mr. A. H.  
 Gidney, Lieut.-Colonel H. A. J.  
 Graham, Mr. L.  
 Hussain Shah, Sayyed.  
 Jowahir Singh, Sardar Bahadur  
 Sardar.  
 Keane, Mr. M.

Kikabhai Premchand, Mr.  
 Lamb, Mr. W. S.  
 Lindsay, S. r Darcy.  
 Mitchell, Mr. D. G.  
 Mitra, The Honourable Sir Bhupendra  
 Nath.  
 Mohammad Ismail Fhan, Haji  
 Chaudhury.  
 Moore, Mr. Arthur.  
 Mukherjee, Mr. S. C.  
 Parsons, Mr. A. A. L.  
 Rainy, The Honourable Sir George.  
 Rajah, Rao Bahadur M. C.  
 Rajan Bakhsh Shah, Khan Bahadur  
 Makhdam Syed.  
 Rao, Mr. V. Pandurang.  
 Roy, Mr. K. C.  
 Sams, Mr. H. A.  
 Sassoon, Sir Victor.  
 Shah Nawaz, Mian Mohammad.  
 Shamaldhari Lall, Mr.  
 Shillidy, Mr. J. A.  
 Sykes, Mr. E. F.  
 Taylor, Mr. E. Gawan.  
 Willson, Sir Walter.  
 Woodhead, Mr. J. A.  
 Yamin Khan, Mr. Muhammad.  
 Young, Mr. G. M.  
 Zulfikar Ali Khan, Nawab Sir.

NOES—45.

Abdul Matin Chaudhury, Maulvi.  
 Aney, Mr. M. S.  
 Ayyangar, Mr. M. S. Sessa.  
 Bhargava, Pandit Thakur Das.  
 Chaman Lall, Diwan.  
 Chetty, Mr. R. K. Shanmukham.  
 Das, Mr. B.  
 Das, Pandit N'lakantha.  
 Ghazanfar Ali Khan, Raja.  
 Gour, Sir Hari Singh.  
 Haji, Mr. Sarabhai Nemchand.  
 Ismail Khan, Mr.  
 Iyengar, Mr. A. Rangaswami.  
 Iyengar, Mr. S. Srinivasa.  
 Jamnadass, Seth.  
 Jayakar, Mr. M. R.  
 Jinnah, Mr. M. A.  
 Jogiah, Mr. Varahagiri Venkata.  
 Joshi, Mr. N. M.  
 Kartar Singh, Sardar.  
 Kelkar, Mr. N. C.  
 Kidwai, Mr. Rafi Ahmad.  
 Kunzru, Pandit Hirday Nath.

Lahiri Chaudhury, Mr. Dharendra  
 Kanta.  
 Lajpat Rai, Lala.  
 Mehta, Mr. Jamnadas M.  
 Misra, Mr. Dwarka Prasad.  
 Mitra, Mr. Satyendra Chandra.  
 Moonje, Dr. B. S.  
 Mukhtar Singh, Mr.  
 Pandya, Mr. Vidya Sagar.  
 Purshotamdas Thakurdas, Sir.  
 Rafique, Mr. Muhammad.  
 Rahimtulla, Mr. Fazal Ibrahim.  
 Bang Behari Lal, Lala.  
 Ranga Iyer, Mr. C. S.  
 Rao, Mr. G. Sarvotham.  
 Sarda, Rai Sahib Harbilas.  
 Shervani, Mr. T. A. K.  
 Siddiqi, Mr. Abdul Qadir.  
 Singh, Mr. Narayan Prasad.  
 Singh, Mr. Ram Narayan.  
 Sinha, Kumar Ganganand.  
 Sinha, Mr. Sidheswar.  
 Yakub, Maulvi Muhammad.

The motion was adopted.

**The Honourable Sir Basil Blackett** (Finance Member): Sir, I rise to move :

“That in clause (a) of sub-clause (1) of clause 8, after the words ‘the Board’ the words ‘subject to any minimum prescribed by the Governor General in Council’, be added.”

The purpose of this amendment is simple enough. The Bill as it stands makes the appointment of the Governor and Deputy Governors a matter for decision finally by the Governor General in Council and it makes their salaries a matter for decision finally by the Board of the Bank. There is obvious room for a deadlock in those circumstances, and it is obviously desirable that we should not leave the position just as it stands with the possibility of a deadlock which could be in the interests of no party. We, therefore, propose that it should be within the power of the Governor General in Council to fix the minimum. That will prevent any possibility of an absolute deadlock while it will not seriously modify the position under which the question of the salary is for the Board and that of the appointment primarily for the Governor General in Council subject to the advice of the Board.

Sir, I move.

**Sir Purshotamdas Thakurdas** (Indian Merchants' Chamber: Indian Commerce): Sir, this is not one of the amendments that was either thought of or discussed in the Joint Committee. But, as one always learns as one grows older, I suppose the Honourable the Finance Member may have later on discovered that this is a precaution which is necessary in the interests of the Bank. I do not think that I need oppose this amendment, but I wish to bring out one rather important point which, I think, has been betrayed by the amendment which is now being put, namely, the want of confidence of the Government themselves in the Directorate that they propose to create to carry on the work of the Bank. The Directorate aimed at is to be absolutely independent and not to have any control from the Government. They are to control and carry on the note issue and to be in charge of several hundred crores of India's reserves. They are not to be trusted with the necessary discretion to decide as to what pay would be reasonable for a Governor or a Deputy Governor, and it is now sought to put on a minimum. It strikes me as being great lack of confidence of the Government of to-day at least, in the Board which they propose to put up to carry on the Reserve Bank. I feel that at the best the amendment is a redundant one and I am afraid that it shows the want of confidence which the Government have from the very start in the Board which they propose to put up to carry on the Reserve Bank.

**Mr. President:** The question is:

"That in clause (a) of sub-clause (1) of clause 8, after the words 'the Board' the words 'subject to any minimum prescribed by the Governor General in Council', be added."

The motion was adopted.

(Mr. President called on Mr. N. M. Joshi to move his amendment No. 11.)

**Mr. Vidya Sagar Pandya** (Madras: Indian Commerce): May I move, Sir, my amendment (No. 9) which also refers to sub-clause (1) (a) which is being discussed? I am sorry I was not in my seat when my name was called.

**Mr. President:** If the Honourable Member was not present in the House at the time when his name was called, he missed his chance.

**Mr. Vidya Sagar Pandya:** I am sorry, Sir, I was not present in the House, but my amendment refers to the same clause which is under discussion and I shall be obliged if the Chair will permit me to move it.

**Mr. President:** The Chair very much regrets that it cannot help the Honourable Member.

**Mr. N. M. Joshi** (Nominated: Labour Interests): Sir, I beg to move:

"That in sub-clause (1) of clause 8, after clause (b) the following new clause be inserted:

'(c) One Director to be elected by trade unions registered under the Indian Trade Unions Act.'"

In commending my amendment to the approval of this House, I would like the House to consider the scheme of the Directorate as proposed in this Bill, as well as proposed by the Government of India. The Directorate as proposed by the Bill consists of a Governor and a Deputy Governor, two Directors nominated by the Governor General in Council, who are to be Indians, two Directors elected by the Associated Chambers of Commerce, two Directors elected by the Federation of Indian Chambers of Commerce, one Director to be elected by the provincial Co-operative Banks, three Directors to be elected by the Indian Legislature, three Directors to be elected by the local Legislatures, and one officer of Government appointed by the Government. Of the three Directors to be elected by the Legislative Assembly, one is to be a representative of commerce and industry, and of the three to be elected by the provincial Councils, one is again to represent commerce and industry and one to represent agriculture.

You will thus see, Sir, that there are to be sixteen Directors. Out of these sixteen Directors, six Directors are to represent commerce and industry, two Directors are to represent agriculture, one Director, who will be elected by the provincial Councils, will represent the lower middle class people as well as the small agriculturists together. Two Directors, who will be elected by the Legislative Assembly, will represent the well-to-do classes in this country, namely, those people who pay income-tax, and also a class of bigger agriculturists together. Then there is one Director who is an official, who will represent the Government of India. Then there are two Directors to be nominated by the Government of India. I do not know whom these two Directors will represent. Then there is also the Governor and Deputy Governor. I do not know who these are to be. This is the scheme of the Directorate as proposed by the Joint Committee. It is quite clear that in this scheme the industrial and commercial classes get a disproportionately large share. They are to be represented by six Directors out of sixteen. I do not suppose there is anybody in this House who considers that the interests of the commercial and industrial classes are more important than the interests of workers in this country or of the agricultural classes. But unfortunately the Joint Committee, which is supposed to represent the popular party in the country, has recommended that six Directors out of sixteen should

represent the interests of commerce and industry. They only give two Directors to agricultural interests. Then they give two to the higher middle class people, but in this scheme absolutely no provision is made for the representation of interests of the wage-earning classes and workers.

Then I would like the House to consider the scheme which the Honourable the Finance Member proposes to introduce for the formation of the Directorate. If you take into consideration the amendments of which he has given notice, you will find that the Directorate, according to the Honourable the Finance Member, will consist of a Governor and Deputy Governor, the two nominated Directors, one Director representing the Government, so that five Directors will represent the Government as constituted in this country, and four Directors will represent commerce and industry, and one will represent the Co-operative Banks. In the scheme as propounded by the Honourable the Finance Member there are to be ten Directors, and out of these ten Directors four will represent the capitalists' interests in this country, one representing the Co-operative Banks will, under the present circumstances, also represent the capitalists' interests. I am quite sure that under the present circumstances if the Co-operative Banks hold an election they will elect either my friend Mr. Madon, who represents the Tata's, or Sir Lalubhai Samaldas, so that the capitalists' interests will get out of ten Directors five Directors, and the Government will also get five Directors. Thus it seems to the Honourable the Finance Member that the country is divided into two classes of people, the capitalists, European and Indian, in India, and the Government of India as representing the capitalists, the Imperialists, and also, I am sorry to say, the Labour Party in Great Britain. The British capitalists, Imperialists, and the British Labour Party are represented by five Directors whom Government will nominate. Indian capitalists and British capitalists in India are represented by five Directors, so that, according to the Honourable the Finance Member, India consists of British and Indian capitalists. There is no place in his India for the wage-earning class. I am very sorry that a representative of the Government of India, and I may say, Sir, the representative in this House of that august body which we are always asked to regard with reverence and respect, the British Parliament, should suggest that the Directorate should consist of only representatives of the Government and of the capitalists in this country. It is a great pity that he should propound that scheme before this House.

Sir, the Reserve Bank, which is to manage the currency policy of this country, is a bank which will control the prices through the currency policy in this country, and the prices affect not only the industrialists and commercial people in this country, not only the Government in this country, but the prices affect all classes of people. Those who have heard the speech of the Honourable the Finance Member when he put forth his views on the ratio question may remember that he showered a great deal of sympathy upon the working classes in this country. I wish he remembers those expressions of sympathy which he used in this House a few months ago. But, Sir, we are all disappointed. In his India there is no place for the wage-earning classes and the working classes in this country. May I ask this House, as well as the Honourable the Finance Member, whether the currency policy in this country will affect the interests of the working classes of this country or not. After

[Mr. N. M. Joshi.]

all the number of people who are given four Directors in the scheme of the Honourable the Finance Member and of the Joint Committee only form a very small number of people. The Associated Chambers of Commerce and the Federation of the Chambers of Commerce both together may not have more than 5,000 members, and if we take all the small industrialists and traders together their number will not be more than five million or

12 Noon. fifty lakhs. But, Sir, let the House take into consideration the number of the wage-earning classes in this country. I estimate that the total number of the wage-earning classes at the least in this country is not less than 50 millions or 5 crores, out of whom 25 millions are agricultural wage-earners and at least 25 millions are industrial and other wage-earners. So there are 5 crores of people in this country who are mere wage-earners, and these 5 crores of people are not going to get even one Director while 5,000 members of the Chambers of Commerce representing say 50 lakhs of people get 4 Directors. Now, Sir, I should like to know from those members of the Joint Committee who formulated this scheme as well as from the Honourable the Finance Member how they have provided in their scheme for the representation of the 5 crores of wage-earners or the workers in this country. Are they going to say that their interests are not affected by the policy which the Reserve Bank may follow? Or are they going to say that their interests are so small that they may be neglected by this House? Sir, my view is that the currency policy of this Government or of the Reserve Bank affects the interests of all classes equally. No doubt the merchants and the industrialists may seem to be affected more by the policy of the Reserve Bank or of the Government as regards currency, but the transactions made by them are made as middlemen and their personal interests are not affected more than the personal interests of the working classes. Those people who pay the import duty on certain articles do not really pay the import duty. The incidence falls upon others. In the same way if the currency policy of the Reserve Bank or of the Government of India affects the interests of the commercial men and of industrialists, it affects their policy merely as middlemen. It does not affect their personal interests any more than it affects the personal interests of the working classes. I feel, Sir, and I think the House ought to feel, that the interests of the working classes and the interests of the industrial and mercantile classes are affected equally by the policy which the Reserve Bank may follow as regards currency. I therefore think that there is absolutely no reason why the working classes should not be effectively represented on the Directorate of the Reserve Bank. I have therefore suggested by my amendment that as the industrial and the commercial classes and the agricultural classes are going to be represented on the Directorate of the Bank, the working classes should also be represented on the Directorate by their own Directors. The scheme that I have proposed is that one Director should be elected by the trade unions which are registered under the Trade Unions Act. Sir, fortunately we have now an Indian Trade Unions Act which registers the trade unions or other bodies formed to protect the interests of the workers. Where a union is registered Government gets definite information about the members, about the office bearers, of the union, and Government can have some assurance and this House can have some assurance that that body is a properly formed body of workers. Therefore, there will be absolutely no difficulty in

giving representation to the unions which are registered under the Indian Trade Unions Act. If representation can be given to associations of employers such as the European Chambers of Commerce and the Indian Chambers of Commerce, certainly representation must be given to organisations of the employees also.

Now, Sir, if the workers are to be adequately represented on the Board of Directors, they ought really to have more than one Director. If the employers in the Chambers of Commerce are going to have four Directors I feel that the trade unions in this country should not have less than four Directors. But, Sir, you know that in my politics and in my general policy I am a moderate and unfortunately I am an incurable moderate. I have therefore proposed that the trade unions in this country should have only one Director although I feel, and perhaps the House also may feel, that the trade unions in this country as representing 5 crores of the working classes should not have less than four Directors. I feel sure somebody else here who represents the interests of the working classes better than I do may perhaps think that the working classes should have four Directors; but for the present, Sir, in conformity with my moderate temperament I have only proposed that the working classes should have only one Director. I have already shown that the number of working classes is many times larger than that of the men engaged in commerce and industry. In spite of that I have only asked that those working classes should be represented on the Board of Directors by one Director. I cannot see any possible objection to the House approving of my amendment. I know, Sir, there are many people who generally do not like the working classes being represented anywhere. Even if I talk of the representation of the working classes on the Legislatures, there may be some people who may not like it, who may plead or who may say that the working classes are ignorant and illiterate and they may call these working classes any sort of name they like. And when I talk of the working classes being represented on the Directorate of the Reserve Bank I am quite sure there may be a few people, although I am equally sure there may not be many such people, who may say that the working classes are ignorant and illiterate and certainly are not fit to take part in the management of the Reserve Bank. Now, Sir, this ignorance and this illiteracy are not a monopoly of the working classes. And also learning and great ability are not a monopoly of the commercial and industrial classes. There are ignorant men among them just as there are ignorant men among the working classes. Mere possession of wealth or mere possession of property does not give brains to a man. Now in connection with this we have to consider the position of the working classes both as electors and as candidates for the Directorships. As electors, the Joint Committee has proposed that the Legislatures, the provincial as well as the Central Legislatures, should elect certain Directors to the Reserve Bank Directorate. I am quite sure many of the voters who vote for the election of Members of the Central Legislature, as well as for the election of Members of the provincial Legislatures—a very large proportion of the voters are illiterate and ignorant. Nobody has taken exception to their being represented in the Central Legislature as well as in the provincial Legislatures. If ignorant voters can vote for the election of Members of the Legislative Assembly and for the election of Members of the provincial Councils who are responsible for the management of the Government of the different Provinces and who are responsible for the management of

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the Government of India, if the ignorant illiterate masses can vote for the election of Members of the Legislatures, who have a hundred times greater responsibility than the responsibility imposed on the Directors of the Reserve Bank, I cannot understand why the working classes in this country should not form a suitable electorate for the election of a Director of the Reserve Bank. If ignorance and illiteracy come in the way of electing a Director on the Reserve Bank, they should certainly come in the way of electing Members to the Legislature, provincial as well as central. I therefore feel that there will be no Member in this House who may say that the working classes cannot form a suitable electorate for a Director on the Reserve Bank on account of their ignorance and on account of their illiteracy. Then, Sir, it will be said that the working classes are not yet fit to become Directors of the Reserve Bank. The same objection applies to the other classes. Every member of the Chamber of Commerce, whether European or Indian, is certainly not fit to be a Director on the Reserve Bank. A man can become a member of a Chamber of Commerce if he can start some joint stock company, that is, if he has some money. The possession of that money does not certainly entitle him or make him fit to become a Director on the Reserve Bank. It is not the case that every member of the Chamber of Commerce will become a Director. So we are not asking that every member of a trade union shall become a Director. Certainly there are some members of the Chambers of Commerce who are fit to be Directors of the Reserve Bank. In the same way there are some members in the trade union movement who may be fit to become Directors of the Reserve Bank. Sir, the trade union movement in this country is a new one, but still, if you take the organisation as such, if you take the numbers involved in that movement, I feel that an impartial judge is sure to declare that the trade union movement in this country, although it is a small movement, is perhaps the largest organisation in this country from the point of view of membership and that largest organisation can surely provide one man out of its vast ranks who can very fittingly become a Director on the Reserve Bank. I therefore think that there should be no objection either on the ground of ignorance or illiteracy to the working classes having a Director on this Bank. I hope, Sir, that in this House which always claims to represent the interests of the masses there will not be many who will oppose my amendment. I am quite sure the Honourable the Finance Member who represents in this House the British Parliament which claims to reserve to itself the right of protecting the interests of the Indian masses will not oppose my amendment. I feel that the leader of the Swarajist Party will not oppose my amendment and I feel that no rule regarding party discipline will come in the way of voting in favour of my amendment. I hope, Sir, that the other parties in this House will see nothing to object to in my amendment. If they vote for my amendment they will vote for the interests of five crores of men in this country, and if they stand for the people of this country they cannot but vote for my amendment. I hope my amendment will meet with the approval of this House.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): I rise to support the amendment moved by my Honourable friend Mr. Joshi. Though I do not belong to the trade unions which are controlled by my friends Messrs. Joshi

and Chaman Lall, in this particular matter I offer my hearty sympathy to Mr. Joshi in his aspirations. Labour is knocking at the door for direct representation in our Legislatures and we do not know when labour will get direct representation. Unfortunately labour gets representation now through the back door of nomination, and so my friend Mr. Joshi is here. Trade unions are now not organised in the way in which my friend Mr. Joshi would like to see them organised. They are controlled by an Act which has been so framed by my Honourable friend Sir B. N. Mitra that it does not allow labour organisations any scope for expansion and any power in the country. As long as labour has not got that power, trade unions which consist of five crores of workers, as my friend Mr. Joshi rightly said, should have representation on the Directorate of the Reserve Bank. My Honourable friend the Finance Member has allowed two Directors to the co-operative societies, thereby allowing agriculture certain representation. If any Director comes in through these co-operative societies they will be completely Government men and completely controlled by Government district officials. They will not be representatives of the agriculturist class or the agricultural labourers.

My Honourable friend Mr. Joshi need not have been so hard on the capitalist section of this House. This House consists of 144 Members and of these there may be five or six persons who represent European and Indian commerce and the rest do not come here with capitalistic instincts and we are not guided by commercial interests here at all. When Mr. Joshi divided the House into capitalist versus labour, he was entirely wrong.

**Mr. N. M. Joshi:** I hope the House will approve of my amendment.

**Mr. B. Das:** I hope so. I do not think the time has come for labour to have four representatives on the Directorate of the Reserve Bank but the time is ripe for the trade union committees as they are constituted under the Trade Unions Act to have a Director on the Reserve Bank. With these words, I support my friend Mr. Joshi in his amendment.

**The Honourable Sir Basil Blackett:** My Honourable friend Mr. Joshi is always very eloquent on the subject of the working classes. He has succeeded in addressing the House for half an hour on his amendment and in making a very interesting speech on which I congratulate him. The principle of representing the interests of the classes whose welfare Mr. Joshi has at heart, namely, by the method of nomination, is, I am sure he will agree with me, a very good one. The way in which he represents labour in this House is the admiration of all of us. That labour interests should always be represented and should always be taken into consideration in big matters affecting the life of the people as a whole is a general proposition with which no one in this House would desire to disagree. The question in this case is really much simpler. Is it desirable that as one of the members of the Board of the Bank there should be a particular Director appointed to represent the interests of the trade union movement—not of the workers, but of the trade union movement—with a watching brief on behalf of a particular set of interests in the country? That is contrary, Sir, to the whole of the idea of the Board. The Board is there as an executive and as a deliberative body to carry on functions of very great importance in the interests of India as a whole; and I think to appoint a representative elected by the trade unions would not be at all in consonance

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with the general idea of the formation of the Board. Moreover, it has to be recognized that though the labouring classes are as old as Adam, the trade union movement in this country is not quite so old, and the registered trade unions might not I think, even with Mr. Joshi's able help, succeed in forming an electorate of the kind that he desires. I am perfectly willing to admit the principle that in the creation of this Directorate the interests of the working classes of the country as a whole should be duly considered. And they will be duly considered when the Government is making its nominations. I am sure that that is all Mr. Joshi really wanted to get from me and I will only comment on one more point. He had some curious idea that I represent here the British Parliament. Sir, I am not so dignified or distinguished. I represent in this matter—perhaps in some matters that may not be true—but in this matter I represent the Joint Committee of the Assembly, and the Joint Committee of the Assembly did not include this proposal, in fact it rejected it. Fortified by that on this occasion—although I am aware that that argument is a possible boomerang—but fortified by that on this occasion, Sir, I will ask the House to recognize that this proposal, though an interesting one for debate, is not one we can really meet by accepting the amendment proposed by Mr. Joshi.

**Mr. President:** The question is :

“That in sub-clause (1) of clause 8, after clause (b), the following new clause be inserted :

“(c) One Director to be elected by the trade unions registered under the Indian Trade Unions Act.”

The Assembly divided :

AYES—36.

Abdul Matin Chaudhury, Maulvi.  
Aney, Mr. M. S.  
Ayyangar, Mr. M. S. Sessa.  
Bhargava, Pandit Thakur Das.  
Chaman Lall, Diwan.  
Das, Mr. B.  
Dutt, Mr. Amar Nath.  
Ghazanfar Ali Khan, Raja.  
Gour, Sir Hari Singh.  
Haji, Mr. Sarabhai Nemchand.  
Iswar Saran, Munshi.  
Iyengar, Mr. A. Rangaswami.  
Jannadass, Seth.  
Jayakar, Mr. M. R.  
Jogiah, Mr. Varahagiri Venkata.  
Joshi, Mr. N. M.  
Kartar Singh, Sardar.  
Kerkar, Mr. N. C.  
Kidwai, Mr. Rafi Ahmad.

Kunzru, Pandit Hirday Nath.  
Lahiri Chaudhury, Mr. Dhirendra Kanta.  
Lajpat Rai, Lala.  
Mehta, Mr. Jamnadas M.  
Misra, Mr. Dwarka Prasad.  
Moonje, Dr. B. S.  
Mukhtar Singh, Mr.  
Murtuza Saheb Bahadur, Maulvi Sayyid.  
Neogy, Mr. K. C.  
Pandya, Mr. Vidya Sagar.  
Rang Behari Lal, Lala.  
Ranga Iyer, Mr. C. S.  
Rao, Mr. G. Sarvotham.  
Sarda, Rai Sahib Harbilas.  
Shafee, Maulvi Mohammad.  
Siddiqi, Mr. Abdul Qadir.  
Singh, Mr. Narayan Prasad.

## NOES—53.

Abdul Aziz, Khan Bahadur Mian.	Kikabhai Premchand, Mr.
Abdul Qaiyum, Nawab Sir Sahibzada.	Lamb, Mr. W. S.
Ahmad, Khan Bahadur Nasir-ud-din.	Lindsay, Sir Darcy.
Alexander, Mr. William.	Mitchell, Mr. D. G.
Allison, Mr. F. W.	Mitra, The Honourable Sir Bhupendra Nath.
Anwar-ul-Azim, Mr.	Mohammad Ismail Khan, Haji Chaudhury.
Ashrafuddin Ahmad, Khan Bahadur Nawabzada Sayid.	Moore, Mr. Arthur.
Ayengar, Mr. V. K. Aravamudha.	Mukherjee, Mr. S. C.
Bajpai, Mr. G. S.	Parsons, Mr. A. A. L.
Blackett, The Honourable Sir Basil.	Rainy, The Honourable Sir George.
Bray, Sir Denys.	Rajah, Rao Bahadur M. C.
Chatterjee, Revd. J. C.	Rajan Bakhsh Shah, Khan Bahadur Makhdum Syed.
Chatterji, Rai Bahadur B. M.	Rao, Mr. V. Pandurang.
Coatman, Mr. J.	Roy, Mr. K. C.
Cocke, Mr. H. G.	Sams, Mr. H. A.
Cosgrave, Mr. W. A.	Sassoon, Sir Victor.
Couper, Mr. T.	Shah Nawaz, Mian Mohammad.
Courtenay, Mr. R. H.	Shamaldhari Lall, Mr.
Crawford, Colonel J. D.	Shillidy, Mr. J. A.
Crerar, The Honourable Mr. J.	Sykes, Mr. E. F.
Dalal, Sardar Sir Bomanji.	Taylor, Mr. E. Gawan.
Ghuznavi, Mr. A. H.	Willson, Sir Walter.
Gidney, Lieut.-Colonel H. A. J.	Woodhead, Mr. J. A.
Graham, Mr. L.	Yamin Khan, Mr. Muhammad.
Hussain Shah, Sayyed.	Young, Mr. G. M.
Jowahir Singh, Sardar Bahadur Sardar.	Zulfiqar Ali Khan, Nawab Sir.
Keane, Mr. M.	

The motion was negatived.

(Mr. President next called on Pandit Nilakantha Das who was absent.)

**The Honourable Sir Basil Blackett:** Sir, I rise to move:

"That in clause 8, in clause (d) of sub-clause (1), after the word 'banks' the words 'to represent agricultural interests' be added."

The object of this amendment is to make it clear that the Director elected by the Co-operative Banks is not there for the purpose simply of looking after the interests of Co-operative Banks, but he is generally representing the agricultural interests of the whole of India and in no way representing sectional interests. I do not think anybody will have any objection to this amendment.

The motion was adopted.

**The Honourable Sir Basil Blackett:** Sir, I rise to move:

"That in clause 8, sub-clause (1) (e) be omitted."

This is the clause under which three Directors of the proposed Board are to be elected by the Central Legislature. We had several discussions preliminary to this in the course of the previous consideration of the Bill last Session, and it was made clear that the Government have a very strong objection of principle to any proposal which makes any members of the Board elected by the Legislatures. In the first place, they regard it as using the Legislatures for a purpose for which those Legislatures were not brought into being and for which they should not be used. The result of so using them would, in the opinion of Government, be to bring business into politics and politics into business, to the disadvantage of both, and, in particular, to the disadvantage of the Legislative Assembly. We do not want the Assembly Members to be canvassed from all over

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the place to give their vote to this or that person as a Director of the Bank. In the second place, it is most desirable that the Bank should be entirely free from any control by, or any influence emanating from, the Central Legislature. That is the cardinal principle of the introduction of the Bank. I do not think that it is necessary for me to argue this at great length. It was argued at very considerable length in the course of the earlier discussion. The Government are not prepared to consider any question of election by the Central or Provincial Legislatures—we are now dealing only with the Central Legislature—for the purposes of the Reserve Bank. It is perfectly clear that this is a principle on which there can be no kind of going back by the Government. I think I am right in saying that it was generally recognized throughout the House that it was not an ideal proposal. Our difficulty no doubt has been to find an alternative, but Government feel bound to say that this is a proposal to which they attach very great importance, and they do ask the House as a matter of principle to lay it down once and for all that, whatever the Board of the Bank is to be, it must not be a Board elected by the Assembly.

Sir, I move.

**Mr. Jamnadas M. Mehta** (Bombay City: Non-Muhammadan Urban): Sir, I rise to oppose the amendment moved by the Honourable the Finance Member. For the origin of the idea behind this amendment we will have to turn to paragraph 94 of the Report of the Currency Commission. There it is said that "the resolutions passed by the International Financial Conference of Brussels, 1920, and that of Geneva, 1920, recommend in identical terms that banks, and especially banks of issue, should be free from political pressure and should be conducted solely on lines of prudent finance". It is on this quotation from the resolutions of the two Conferences that the idea of excluding Members of the Legislature is based, and I want to show, Sir, that the construction sought to be placed on them is unwarranted. There is nothing in this sentence to show that these resolutions ruled out Legislatures as electorates for the election of the Board of Directors. It merely says that the business of these banks should be free from political pressure. That is quite true and we all agree that in the conduct of the business of the Reserve Bank no political pressure should be exercised by or on the Board of Directors. But, Sir, if the Government were in earnest they should not have invested themselves with the power of nominating the Governor, and the two Deputy Governors and two other Directors of the Bank. It is admitted, Sir, that the Government of India is a political institution and, what is more, it is a subordinate branch of another political institution called the British Cabinet; and if political pressure is to be excluded from this Bank, the first and the most important step is the elimination of any Government connection with the Reserve Bank so far as the Board of Directors is concerned. But the Government have taken power under the Bill to nominate not merely the executive of the Bank but also two other members of the Board of Directors. After that—if this Government of India, which is admittedly a political institution subordinate to another political institution which is antagonistic to Indian interests—if this Government thinks that its nomination of five Directors does not amount to political pressure, it is really preposterous for that Government to contend that the Central Legislature is a political body and that it should not be entrusted with the task of

electing three Directors. Moreover, Sir, I deny that this Central Legislature is a political body. As a Legislature it deals with all matters concerning the welfare of this country—legislation, finance, education, military affairs, industrial affairs, commercial affairs. Therefore, the idea that this body will exert political pressure on the Board of Directors of the Bank is entirely unfounded and unwarranted. In this matter we have on our side the authority of Sir Felix Schuster, one of the Directors of the London and Provincial Bank and once a member of the India Council and a financier himself. He knows what the Directorate of a Reserve Bank should be, and Sir Felix Schuster considers it wrong to exclude Members of the Legislature from the Directorship of the Reserve Bank. On page 85 of the Journal of the Royal Society of Arts, in the December 1926 number of that Journal during a discussion on the report of the Royal Commission on Currency, Sir Felix Schuster is reported to have said :

“It seemed to him that it was from men who belonged to bodies such as those (namely the Central and other Legislatures) and had experience that the choice might be most easily made. The duties of the members of the Board would be very onerous and responsible, and the qualifications for their functions should not be purely commercial; they should have a wide outlook on world conditions generally.”

This is the opinion of an eminent financier who understands the business of a bank better than perhaps anybody in this House and who was a member of the India Council; his aforesaid observations amount to an emphatic denial of the proposition which the Finance Member had laid down that political pressure would be exercised if Members of the Central Legislature were allowed to elect three Directors to the Board of the Reserve Bank.

**The Honourable Sir Basil Blackett:** Will the Honourable Member excuse me? I do not think Sir Felix Schuster was discussing election by the Legislature, but the presence on the Board of Members of the Legislature.

**Mr. Jamnadas M. Mehta:** He goes further. He says that these bodies contain men who are entitled or qualified by their public life and a wider outlook to sit as Directors on a Reserve Bank; you are excluding them by this amendment. It is true we have already carried, in spite of Government opposition, the clause permitting the Members of the Legislatures to become Directors if returned by other constituencies; but why should they not be returned directly by the Legislatures?

Again, Sir, what is this fear of political pressure? Why is it made so much of? The real reason is, Sir,—and that I hope the House will mark and carefully note—the real reason is that these Central Banks have a somewhat curious history. After the War, and as a result of it, most of the belligerent and neutral countries in Europe became bankrupts; the task of setting them on foot again was a task for all Europe; it was necessary to help these bankrupt Governments with loans; and the only parties who could lend money were England and America. The terms on which the loans were given made it obligatory on the borrowers first of all to collect the reserves of the borrowing country in one Central Bank and to start such a bank if one did not exist already. The operations of these Central Banks were limited only to certain banking functions, and they could not therefore invest all their funds; by this means their unemployed gold reserve had necessarily to be invested in England or America. In fact, political crises have arisen in various European Governments as a result of these indirectly coercive conditions on which loans

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have been given to the European nations by England or America. Only last year, there was an acute Cabinet crisis in Greece, because the Cabinet could not agree to the terms of a loan as a result of which the gold reserves of the country would be drained away to other lands. The politician would scent these results of Central Banking much quicker if he were on the Board of Directors. He would realise that the loans were being given on conditions which were onerous; and it was because the politician would not allow such exploitation that he became taboo. What happened in Europe has happened in South Africa; the attempt has so far failed in Australia; it is now being tried on us. It is true we want no loans; but we have gold reserves and England wants them; politicians would not allow them to be taken away; hence this dread of the politician. As a matter of fact there is nothing wrong in Members of the Central Legislature electing three Directors. Just think of the wide electorate that this Central Legislature and the Provincial Legislatures provide. If the Members of the Central Legislature—elected I mean—say about 150—if they are given the right to elect 3 members on the Board of Directors, we would get the representation of the entire Indian community. These are the people who command the confidence of millions of voters and these are the people who by their work, by their position or by their character and capacity command a position of prominence in the public affairs of this country. They will be the electorate—these 150 members representing 7,000,000 voters of all classes and all interests from all parts of India. Can you have a better electorate than the one which the Joint Select Committee has suggested? The same argument will apply to the Provincial Legislatures. We have nearly a thousand Members of the Provincial Legislatures who will be the electorate representing the agriculturists, traders and all other classes of people. Can you find a more suitable electorate than the representatives of 7,000,000 voters from all parts of India representing all classes? And, after all, as Mr. Joshi has pointed out, and with which I agree, this Bank does not belong only to the commercial classes. The interests to be guarded and to be protected by this Bank are so multitudinous, so wide and so universal that the Directorate should not be the monopoly of one class or another. The wider the representation of all the economic interests of the country on it the better it would be for the success of a Bank like the Reserve Bank. And, as the Joint Select Committee has itself pointed out election by the Legislatures is the best way of getting the assistance and co-operation of all classes on the Board of Directors.

Sir, I have already adverted to the fact that the Government themselves do not seem to be genuine in their protestations about the unwisdom of politics being mixed up with business; they have started by keeping the appointment of the entire executive of the Bank in their hands. And they, being a political body—a subordinate branch of another political body—ought to be the last to talk of political pressure in a matter like this. I hope, therefore, that the House will stick to the very simple and well thought out scheme of the Joint Select Committee, the sole object of which is the securing of the most capable, the most representative, and the most efficient Board of Directors. If you want, as the Currency Commission recommends, a truly independent Reserve Bank, then, I think, the right procedure for this House would be not to exclude from the

Board of Directors the representatives of the Central Legislature as the Government want to do. The Government are themselves flying in the face of the recommendation of the Royal Commission, and I hope, Sir, the House will therefore reject this amendment unanimously.

**Mr. Vidya Sagar Pandya:** Sir, after seeing the fate of the previous amendments and with the packed Government majority, it is useless to press any views on any matter. It is open to the Government to propose that the sun rises in the west.

**Mr. Jamnadas M. Mehta:** And it will be carried.

**Mr. Vidya Sagar Pandya:** Yes, it will be carried. But one has to do one's duty in placing one's views in such matters before the House. I think in the interests of the Bank itself it is very necessary that they should have on the Board some Members of the House who will be a connecting link between the Legislature and the Bank. There will be so many occasions on which the Reserve Bank will have to come to this House for enlarging their concessions, giving them more privileges and asking for so many things which this House will have to grant. Under the circumstances, Honourable Members of this House who will be elected by this House will know the inside working of the Bank and will therefore be in a better position and carry more weight with the Legislature in getting those things done than those Directors who are not at all connected with this House, or who are not elected by this House. I may add that in the case of the Federal Reserve Board of the United States of America there is a Board of 8 Directors, out of whom six are appointed by the President of the State with the advice and consent of the Senate. They have got the right to appoint the Directors, and when we are asked to follow the method adopted by other leading banks in their countries in the matter of their Reserve banks, I do not see any reason why this House or rather the Central Legislature should be deprived of the right of electing the Directors on the Board. I was wondering at the remarks made by the Honourable the Finance Member when he called the representation by this House as that of politicians. As I have said before, it is something like the kettle calling the pot black. If these two clauses, namely, clauses (e) and (f), are omitted as has been suggested by the Honourable the Finance Member, then there will be so many Directors who will be nominated by the Governor General in Council that Government will have a clear majority of their nominees, and therefore there will be no check against whatever they might get passed by them. The Reserve Bank is going to deal with the currency and the finances of the country, and it would be the bank to control banking in every sphere of it. So, when the Bank will have at its disposal the money of the ratepayers and all the financial resources of the country in the form of cash and currency, it is absolutely necessary that the Legislature, which deals with all the important matters, should have a hand in nominating or electing its representatives to see that the Bank is managed in the best interests of the country. We have got the representation of smaller bodies like the Federation and the Associated Chambers of Commerce. As will be readily admitted, it is the Central Legislature which is really the most enlightened and representative body in the country, and, if they are going to be deprived of a right to nominate or elect members on the Board, I do not see how any of the smaller bodies should have any right to send their Directors there. In the circumstances, I would strongly urge the

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House not to give up their right to nominate their representatives and thereby guard the interests of the ratepayers in such an important institution as the Reserve Bank.

**Mr. M. S. Sessa Ayyangar** (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Sir, the Honourable the Finance Member has not, I am afraid, made out any case in support of his amendment except by giving the reason that the running of business into politics and politics into business would be disadvantageous to both. That is the *ipsi dixit* of the Honourable the Finance Member. He has not made out at all how such a control of the Bank would really interfere with the conduct of its affairs. He further said that there may be the possibility of political pressure being brought to bear upon the affairs of the Bank. Here, again, there is another *ipsi dixit*. We are not aware of any single instance in which such pressure has been brought to bear on the affairs of any bank; and I submit to the House that the genesis of this amendment of the Honourable the Finance Member is not far to seek.

He really wants to avoid the interference, control and supervision of the Legislature through its Directors, on the affairs of the Bank; and, secondly, he wants to avoid inconvenient measures of control that might be devised by the Legislature whenever the management of the Bank goes astray or is in the wrong from the Indian standpoint.

So far as the management is concerned, I have submitted to the House already on another occasion that the Bank Bill, as at present conceived, has a few vital defects; and so far as our present position goes, we will not be able to so model or modify the Bill as to eliminate these vital defects; there is all the more reason therefore, that the Directorate ought to be such, that, whenever the management have got to face a diversity of interests, I mean a conflict of interests between Indian and non-Indian, coming before it for solution, the Indian interests may not be jeopardised by the action of the Board. There should be sufficient guarantee that the Indian interests are not subordinated to interests other than Indian; and the Legislature must have some powers that will give it that control, that will enable it to throw light on such matters. If you have any provision which gives the Legislature some sort of control it is under clause (e) of sub-clause (1) of clause 8 which the Honourable the Finance Member wishes to eliminate. One wholesome control can be exercised by the Legislature under this clause to obviate the possibility of jeopardising Indian interests in the working of the affairs of the Bank; and I submit that this power should not be voluntarily resigned by this House. It would be disastrous if this House voluntarily resigns its power of control over the administration by accepting this amendment. I have submitted already to the House that the real genesis of this amendment is not far to seek. I would in this connection invite the attention of this House to the Report of the Chamberlain Commission where the following remarks by Professor Keynes appear:

"As regards the Secretary of State's exposure to pressure or parliamentary criticism of an undesirable kind, the creation of a Central Bank would, without question, improve and strengthen his position. Recent experience shows that he cannot under the present system resist cross-examinations on minute details of financial management . . . (but with such bank in existence) there would be numerous questions to which the Secretary of State's proper answer would be that it was entirely a matter for the Bank."

It applies with greater force to the present conditions of the Assembly. If there is this guarantee that there would be a few Directors from or elected by the Legislature, the rights of the country would be safe in their hands at least. I submit, therefore, that there is absolutely no ground for accepting the amendment, and I reiterate that we should not voluntarily resign our large powers of control. I therefore oppose the amendment.

**Mr. Anwar-ul-Azim** (Chittagong Division: Muhammadan Rural): Sir, I thank you for kindly permitting me to speak on this amendment. I will just confine my remarks to the Report which has been submitted by the Joint Select Committee of the Central Legislature. One of the amendments proposed is that three Directors are to be elected by the Indian Legislature by its elected members, of whom one shall be elected to represent the interests of commerce and industry. As an elected Member I should imagine that it may not be very right for me to say that we should not have any representation on this Bank, but looking at the matter from a more sensible point of view, I should have thought that our Honourable friends would have counted the existence of the Council of State as well as this Legislature in the allocation of the numbers. That is one matter. Secondly, of course as one who represents a minority community in this country, I think it will not be right on my part to ignore the minutes of dissent which have been appended by Raja Ghazanfar Ali Khan and Sir Umar Hayat. On perusal of these two minutes you will find that Raja Ghazanfar Ali Khan is of opinion that on the proposed Bill there should be a general provision to the effect that the interests of agriculturists and minority communities are fairly and adequately represented and that these are conditions which he would like adopted. In regard to the minute of Sir Umar Hayat, you will find that he presses for more definite representation on the Board for Muslims and Zamindars. If this clause (e) is not omitted, then the hands of Government will not be free to allow the representatives of minority communities on the Board of Directors. From what I have heard from one of the Swarajist leaders, Mr. Jamnadas Mehta, if our people from the Central Legislature are given seats on this proposed Reserve Bank, our work will not suffer in the country. He opines that politicians are at times good business men. If on this Central Bank we were to lose the services of leaders, say, like Pandit Malaviya, or our friend Lala Lajpat Rai, or even Mr. Jinnah, if these leaders of thought are absorbed in work which is so puzzling, I am positive their work in the Central Legislature is likely to suffer to a very great extent. If we had numbers galore of such people, with the requisite kind of knowledge, who could be spared, then in that case I would console myself by believing that these recommendations of the Joint Committee will have achieved their purpose, but as in reality it is different, I feel therefore our recommendations in regard to the proposed clause of the Bill will be worse than useless, nay, it will be harmful to the country in the long run.

With regard to some of the remarks which have been made by my friend, Mr. Mehta, I do not know that in the near future we will not have some sort of responsibility introduced in this Legislature. You may have party government even. Suppose a leader is asked to send representatives from the ranks of the Members of the Central Legislatures, he would naturally send up men of his party and no one else. On the present basis the Moslems will be in a hopeless position. Their numbers are about 35

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in both Houses, and they all do not owe allegiance to a party leader. If any vacancy in the proposed Bank is to be filled up, the contest will be very keen, and the majority will always carry the day. Neither the presence of Mr. Jinnah, nor the pious wishes of Mr. Srinivasa Iyengar will be able to save the situation. Unless these things are brought to a satisfactory solution, I do not think that we should combine both finance and politics here. I therefore support the amendment of the Finance Member.

**Mr. Muhammad Yamin Khan** (United Provinces: Nominated Non-Official): Sir, I had no intention to take part in this debate on this clause; but I find that the present clause unfortunately makes such an invidious distinction amongst members that I am obliged to make a few remarks. This clause if it remains will give the right to vote only to Members who have come here through election, and it absolutely denies any right of voting even to Members like my friend Mr. Joshi who represents a class of 50 millions of people in India. Some Honourable Members are always very anxious to vote and to give the right of voting to that labouring class, and yet if its representative could not come in by election but happens to have come into this House only by nomination, he would be denied by this clause a right even to give his vote in the matter of the election of the Directors. Then there is my friend Nawab Sir Abdul Qaiyum who represents a province which has been denied the right of a Member coming into this House by election. The North West Frontier Province cannot send any Member at present under the present constitution through election; and Nawab Sir Abdul Qaiyum represents here in this House a vast population. But by this clause the North West Frontier Province will be denied the right of sending any Director or having a voice in selecting one. Then, Sir, take another member of another class, Mr. Rajah, who represents the depressed classes. No man belonging to the depressed classes can come into this House. They also form a big class, but how many Members have been returned from that class? In spite of the majority of the people in India belonging to that class, only the high class people can be returned by election and the depressed class people have not been allowed to come into this House by representation. And when Mr. Rajah comes in here by nomination he is denied the right by the present clause even to vote for a Director. Then, Sir, there is another member, Mr. Chatterjee, nominated to represent the Indian Christian community. Is there any possibility of any Indian Christian coming here through election? If Indian Christians cannot come through election and they come through nomination, then they also are denied the right of having any voice in the matter of election to the Directorate of the Bank. I do not see how my Honourable friends who have been so solicitous in the matter of the minority communities and who talk about the welfare of India as a whole, can vote in support of this clause. I hope they will not support the clause and show that they do not really mean what they say.

**Mr. M. S. Ansy** (Berar Representative): Sir, I do not think it is necessary for me, or for any Member for the matter of that, to deal seriously with the arguments of my friend Mr. Yamin Khan. He has spoken in his

usual strain and I treat those arguments with the contempt they deserve. The fact is this. If Mr. Yamin Khan was really serious as regards the representation of those classes to whom he has referred, then there was another way open to him—to come up with certain amendments to this clause. He has not done that. He only wants to reserve his arguments for opposing any popular move or popular suggestion and in support of any move that is made by the Government. His argument has that purpose and for that reason I do not want seriously to deal with it.

The real position is this. Here is a suggestion made by the Joint Select Committee of this Legislature that the Directorate should consist of 15 persons, and out of those 15 persons 11 were to be elected and 4 nominated by the Government. Now the Government is coming forward with an amendment which will reduce this number of the Directorate to 9 only, with one non-voting member, and out of those 9 members 5 will be Government members. I want the House seriously to consider what will be the effect of this on the Reserve Bank Bill. One of the objects with which the establishment of a Reserve Bank has been very much advertised and applauded in the Press also, was that we shall get a bank free from the control of Government. Up to this time the currency policy, the note issue policy, has been dictated by the Secretary of State and by the Government of India; and we were told we should have a bank hereafter keeping this policy free from their control. This was one of the objects with which the establishment of a Reserve Bank has been advocated. Will this object be served hereafter if we accept this amendment of Sir Basil Blackett? On the contrary, we shall be stultifying ourselves and at the same time defeating the very object with which a Reserve Bank is sought to be established by this House. I want the House carefully to consider this position, and therefore for that one reason, if not for anything else, for the sake of keeping the bank safely established to serve the object for which it has been advocated that it should be established—for that purpose if not for anything else—I wish that this House should throw out the amendment. I thought the Government of India or the representative of the Government of India in this House would come forward with certain amendments, if he wanted to eliminate these 6 representatives, furnishing a reasonable substitute for them. From the dissenting minute which is appended to the Report, it would seem that he was not altogether opposed to the idea of representation from the Legislature. He does not think that it is fundamentally wrong to give representation to the Legislature. And we know that if there could be reasonable alternative to it he was prepared to discuss and find out that alternative with the Members of this House. I believe that those who know the previous history of this Bill rightly thought that he was making a serious effort to discuss the matter and there was a possibility of their arriving at some agreement with him on that question. We unfortunately stopped at a particular stage. We do not know the prime reason why we stopped at that stage. But we know that we just stopped at a stage when there was a practical chance of an agreement being arrived at. That was the position. When he had to come forward with this very Bill again for any reason and to place this Bill before the House he should have come before us with some alternative and asked this House to consider that alternative. Instead of doing that, he has reduced the 15 Directors to 9, claiming a clear Government majority of 5 against 4; and in that way stultifying the very object for which the

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Reserve Bank is being established. I think that is an unfair way of doing it, and for this reason I believe this House will throw out the amendment of the Honourable Member.

**Maulvi Muhammad Yakub** (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, I also had no idea of taking part in this discussion but after hearing the speeches of my Honourable friends Mr. Anwar-ul-Azim and Mr. Yamin Khan. I feel compelled to make a few observations. My friend Mr. Anwar-ul-Azim is rightly very anxious about the interests of minorities on the Board of this Bank. I am also very anxious that the interests of minorities in this Bank—at any rate, the interests of my community on the Directorate of this Bank—should be safeguarded. Now, Sir, the House will remember that it was for this reason that in Simla an amendment was proposed to clause 8 after the words “to be nominated by the Governor General” to the effect that one of them should be a Mussalman. But this amendment was vehemently opposed not by the other communities but by the Government. They said that they could not allow on the Statute-book any clause about the representation of communities. That was rejected. If this clause, which the Honourable the Finance Member wants to delete goes, what guarantee is there for any Muhammadan to come into the Directorate of this bank? We find that two Directors who shall be Indians shall be nominated by the Governor General in Council. As Mr. Yamin Khan has just pointed out, out of these two members, the Governor General in Council will certainly nominate men like Mr. Chatterjee or Sir Abdul Qaiyum to represent the Indian Christian community and those provinces in which the Reforms have not yet been instituted. Also Government will be anxious to see that one of the representatives of Mr. Joshi's constituency, the labouring classes, is nominated. I do not find any chance of any Mussalman being nominated under this clause (b). Four Directors are to be elected by the Associated Chambers of Commerce and one Director is to be elected by the provincial Co-operative Banks. In these two electorates also there are very few Mussalmans. Now the only chance of a Mussalman being elected to the Directorate of this Bank is through the Members of the Legislative Assembly, because we know that there will be three Directors who will be elected by the Members of the Legislative Assembly. Now we are thirty Mussalmans in this Assembly and it is impossible that the thirty Mussalmans, including the nominated Mussalmans, should not be able to return at least one Mussalman. So that is the only Directorate from which you can send a Mussalman to the Directorate of this Bank and if you eliminate this clause it means that you eliminate the Mussalmans altogether.

**The Honourable Sir Basil Blackett:** And also the Bank. You eliminate not only this clause but also the Bank.

**Maulvi Muhammad Yakub:** I shall be only too glad then.

**The Honourable Sir Basil Blackett:** That is what I thought.

**Maulvi Muhammad Yakub:** In order to return any Mussalman to the Directorate of this Bank, it is essential that this clause should remain because that is the only Directorate from which we can return any Mussalmans.

Now, as regards the objections of my friend Mr. Yamin Khan, Mr. Aney has already answered his objections. I would also invite his attention to clause (b) and I would point out to him that in clause (b) the Government have taken care that those persons who do not command the confidence of their community and who cannot come through the vote of their community in this Legislature can be nominated by the Governor General in Council to the electorate of this Bank. People like the depressed classes and the Indian Christian community and others will come through clause (b), and therefore my friend should not be very much afraid that there will be no chance for him to go to the electorate of this Bank. His interests are quite safe in the hands of the Government.

There is one point more about which I should say something and that is the point which was raised by the Honourable the Finance Member when he said that the Indian Legislature was not meant to be converted into an electorate. I would remind him that we already constitute an electorate and we already send our representatives to another institution, that is, the Delhi University. The Honourable the Finance Member will agree with me that if it is not right to mix politics with finance, it is not right also to mix politics with education.

**The Honourable Sir Basil Blckett:** I am inclined to agree with the Honourable Member.

**Maulvi Muhammad Yakub:** If you have allowed the Members of this Legislative Assembly to form an electorate, I do not see any reason why you should now say that you cannot form an electorate. As Mr. Jamnadas Mehta said, I really do not understand what this expression means that you cannot mix politics with business. I think that business in this world is the greatest centre of politics. What was the Great War? It was the result of competition in business, and the whole politics of this world is rotating round business. Cabinets come in and go out and Parliaments rise and fall on account of the interests of business men in this world. In fact all the politics of this world is business. I am really surprised to see a keen politician like the Honourable the Finance Member saying that we should not mix politics with business. These are the arguments which were raised in favour of the amendment of the Honourable the Finance Member. They have been fully answered and I hope this House will not pass a vote of self-condemnation by supporting the amendment of the Honourable the Finance Member. If this Bank is really to control the finances of the country and is going to be the bank of the nation, it is most essential that the Central Legislature and other Legislatures should have a voice in sending their representatives to the Directorate of this body. Otherwise, I think it is not necessary to have a bank of this character at all.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

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The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

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**Mr. N. C. Kelkar** (Bombay Central Division: Non-Muhammadan Rural): Sir, the Honourable the Finance Member had an opportunity to attack the character of individual Members of this Assembly in respect

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of their fitness for being Directors when we were discussing clause 7. Now he takes the opportunity to attack the character of the Members of this Assembly as a collective body in respect of it becoming a constituency. Apparently his argument seems to be that if as individual Members of the Assembly they are unfit, in his opinion, to be Directors of this Bank, they are perhaps a hundred-fold more incompetent and unfit to be an electorate to elect Directors. But neither he nor any one else can get away from the fundamental fact that now the Bank is a State Bank, and the State will have a considerable amount of capital invested in the business of the Bank. The question therefore arises whether the State is not entitled to have a determining voice in the management of the Bank, and I mean by the "State" both the Executive and the Legislature. The State cannot be complete if you regard it from the point of view of the Executive only and neglect the Legislature altogether, which is exactly the position taken up if the present amendment of the Finance Member and one which comes later on are carried. If they are carried then the Legislature will be entirely deprived of any hand or voice in the management of the Bank. The Governor General in Council, according to his plan, retains all the power and privilege of meddling in the affairs of this Bank, whereas the poor Legislature alone is to be deprived of any share in its management. If it is bad for the Legislature to be entrusted with any share in the management of the Bank, then as a business proposition I suggest that the Governor General also should be deprived of his powers and privileges. Why should he alone retain the power and privilege while the Legislature, which represents the collective wisdom of 25 million voters, is deprived of it? Why should the Legislature be so deprived? The objection taken is that political pressure is likely to be exerted in the management of the Bank if the Legislative Assembly is allowed to be a constituency for the election of Directors. But I do not see how that objection is valid. What will actually happen is that we shall simply elect the Director. We shall not necessarily take any promises or pledges from him; in fact we cannot take any such promises from him because the work in the Bank will be of a continuous character carried on from day to day. And however far-seeing, prudent or businesslike they may be, it will be impossible for the Members of the Assembly to foresee what is going to happen or what problems will come up for solution before the Directors in the actual administration of the Bank from day to day. Therefore, it is ridiculous to suppose that the Legislature as a constituency would demand pledges or bind the hands of the Director they wished to elect. And once he is so elected that Director would perform his business as it came before him from day to day and he would not in any sense be responsible to his constituency, that is, the Assembly. It is not contemplated under any provision of the Bill that any constituency should have the power to recall a Director elected by it because the constituency thinks the Director is not fulfilling their expectations. The responsibility of a Director will be very much like the vague undefined responsibility that we, the Members of the Legislature, are under with respect to our own electors. We are in a certain sense responsible to our electors. But after all what does that amount to? If we give our vote here on any question the electors can express their opinion on our judgment for or against, but they have not got the power to remove us; and in my opinion the sense of responsibility is limited by the power to remove. Here, in this case, it is not contem-

plated that the Directors elected by the Legislative Assembly will be removeable at their will. On the other hand the position of the Governor General in Council is different. If he has the power to nominate he can also demand resignations. In any case that will be more easily managed than in the case of Directors elected by the Assembly. I cannot imagine the electorates from which we come demanding our resignations with the same success as the Governor General could do in the case of his nominees. I cannot in fact imagine how a resignation demanded from a Director nominated by the Governor General could be refused. Therefore, there is this discrimination. The Governor General will have the power and privilege of controlling the business of the Bank by nominating Directors whom he may at his discretion remove if the Director does not conform to the policy expected from him. On the other hand, the Legislature will simply have to elect the Director on his merits for the time being; no pledges will be asked for nor given, no creed, no manifesto, nothing of the kind. At the end of three years he will be judged, if he is judged at all, on seeking re-election to the Assembly.

It is said that the administration of the Bank must be free from politics. Now, what is politics? If we regard politics in the broadest sense, then who is there in the whole scheme of the State really free from politics? Take the case of the Governor General himself. Can we really say that this officer of the Crown, who has got the power to nominate four or five Directors of the Bank, is really free from politics? I say, on the other hand, that he is the incarnation of politics. We have an adage in my vernacular which means that "the goddess sits in the temple while small-pox rages in the village". And here, you may say, is the Governor General sitting in his place like the veiled prophet of Khorasan, while his political influence and pressure and power is spread throughout the country in a most effective manner. Now, who is this Governor General, what is his character, to whom we with open hands and open minds are prepared to allow the power to nominate four or five people for the actual administration of the Bank? It is a large order to suppose that the Governor General has necessarily got the wisdom to choose the right man for the administration of a Bank. He may nominate people according to his whim some times or according to the advice, the irresponsible advice, which he may receive. It does not necessarily follow that the people appointed by him will be the right people. He is an autocrat. He is not responsible to anybody. With regard to the appointment of the Directors, again, he is an obedient servant of the Secretary of State: and we have seen what influence, what pressure, the Secretary of State exercises upon the Government of India in a matter of this kind. Had it not been for the Secretary of State in this particular matter, we could have gone on merrily and smoothly, I suppose, with our own Directorate as we liked as between the two sides of the House, but it is only because the Secretary of State intervened that all this trouble has arisen: and therefore I say that the Governor General, who has succumbed to that pressure in this particular instance, will certainly succumb to pressure whenever necessary in the matter of the administration of the Bank. The pretence always is that Government want to make this State Bank absolutely independent of the State; and yet what is the position? The State, as I have said, is composed of two parts, the Executive and the Legislature; but whereas the Executive is to be given the power to appoint four or five people,

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the poor Legislative Assembly is to be deprived of that power. I do not quite see the justice of this and the honesty of the pretence that after all the Government wants the Bank to be a Bank independent of State control and State pressure. Now if that is not possible, if pressure must come in somehow, let that pressure be shared, let the responsibility for that pressure be shared equally by the Executive and the Legislature.

Now the Legislature, it is said, should not deal with executive matters. But after all what do we find when we pass the Budget? "What do we do, in effect? We vote salaries for the services, though we do not actually appoint particular men to particular posts. We vote down works, we vote works, we vote practically every single votable pie of the Administration. In that way we deal with 150 crores on one side and about 100 crores on the other side. We deal in effect with 250 crores of our revenue and expenditure: and why should we not be regarded as fit enough, qualified enough, to deal with, not the Bank, but deal with the election of the Board of the Bank; and the point of contact in my opinion that will be established eventually between the Legislature and the administration of the Bank will not be even so closely vital as is established through the passing or the rejecting of the Budget or the Finance Bill. Let this therefore be considered. Is this Legislature not dealing, in a way, with executive matters also? The successful execution of the administrative details necessarily presupposes the Budget which is voted by the Assembly. If there is no money, there is no administration, and we have power either to grant or to reject the money. Therefore, in the result, it follows logically that we do exercise a kind of pressure and wholesome influence and control in the matter of actual administration. My point is that our point of contact with the Bank, the point of contact by the Legislature, will be even more distant than in the case of the point of contact that is established with the actual administration here through our Railway Finance Committee and through our Budget Finance Committee. We vote money, we refuse to vote money, and therefore in effect we either allow things to go on, or we do not allow things to go on; but here we do not enter into the details of the administration, and the rest we leave to the Government officers and the Department. Similarly also, here the Legislature will content itself with simply electing the Directors who of course will sit on the Board and then they will decide what to do or what not to do. Let it not be supposed that a single detailed matter of bank administration will ever be present to the mind of the Legislative Assembly when it will elect those Directors.

Now again take this position. An M. L. A., if he is a member of a Chamber of Commerce, may be a voter for electing a Director. If he is a member of a Co-operative Bank, he may be regarded as qualified to be an elector of the Directorate, because you are giving one member to the Co-operative Banks and you are giving four members to the Indian and European commercial communities. Now this commercial community, of the Chambers as we call them, is composed of a definite number of people, and some of them may be M. L. A.'s as, for instance, our friend Sir Purshotamdas Thakurdas. Now look at the position. Sir Purshotamdas Thakurdas, Sir Victor Sassoon and Sir Walter Willson are all eligible, qualified, enough to be voters in any Chamber, but as soon as they enter this Chamber, they are disqualified. I do not see the logic of it. You

must again take into consideration that you need not be as afraid of a wrong election being made of a Director by this Legislature as you should be by these other communities. Of course they are business men, but what guarantee is there that they will necessarily elect the right kind of people? They are guided more by *esprit d'corps* than is the case here. Here we see the House very often divided against itself, a number of groups not coming to any definite agreement, and therefore the election will necessarily represent the height of collective wisdom which can never be far wrong. There in the case of Chambers there may be cliques, and the result of the election of Directors will oftentimes be the result of cliquism. Here you cannot have cliquism of that sort because the House consists of a very large number of Members, and there are groups within the House, and the collective wisdom will ultimately assert itself, and the House will elect only the right kind of people.

Now the Finance Member has already moved his amendment with a view to take off these three members of the Directorate to be elected by the Assembly. Next we shall see he is going to move an amendment—of course I cannot refer to it but I do it only for the purpose of showing what the whole scheme is. By this amendment he will delete three Directors to be elected by the supreme Legislature, and next he will ask for the dropping out of three Members to be elected by the Provincial Councils: and when six people thus got out, what remains? As it is in the Bill, as it has emerged from the Select Committee, you find a kind of equipoise—power distributed more or less equally in a fair measure in different groups. There are four Directors elected by the mercantile community, one elected by the agricultural classes. That is five. The Governor nominates two. He again nominates the Governor and the Deputy Governor, three in all, and an officer, but he is non-voting. (*Sir Purshotamdas Thakurdas*: “Two Deputy Governors”.) Yes. Therefore it comes to this that under the scheme as it is there is a fair balance established between the authority and the power of electing Directors; as I have said, four or five nominated by the Governor General, four or five elected by the mercantile community and, as we have it here, six nominated by the Legislature. Why should not the poor Legislature have an equal share in the disposal of a Directorate like that?

Lastly, I wish to point out one statement, which I think is a mistake, in the minute of dissent sent by Sir Basil Blackett and others. This sentence runs:

“Under this proposal eight out of fifteen voting members of the Board will be chosen by the Central Executive or the Central Legislature, while three more will be chosen by the Provincial Legislatures, making eleven out of fifteen voting members (in addition to the non-voting Government officer) who will owe their presence on the Board to State intervention.”

I do not see how the figure is arrived at. I think it ought to be 10. It is not 11. I wish to refer to this statement, because it indicates the intention to magnify things as against the Legislature as an electorate. I do not wish to say anything further on this point. But I strongly deprecate this attempt to ignore the Legislature and to deprive it from having its due share or voice, power, privilege and authority in the matter of the election of Directors of the Bank.

**Sir Victor Sassoon** (Bombay Millowners' Association: Indian Commerce): Sir, I do not think that this House will accuse me of slavishly

[Sir Victor Sassoon.]

following the opinions of the Government, and I can assure my Honourable friend behind me that if the Government were to be so ill-advised as to table a motion that the Sun rises in the West I will join him in the Noes Lobby. But in this particular case I support the Government on the merits of the amendment before us. I happen to be brought up in old-fashioned business circles and have been all my life trained to believe that a business undertaking can best be managed by business men, and my view is that the Directorate of this Board should be, wherever possible, taken from those who are experienced in managing business. I realise that my friend Mr. Jamnadas Mehta does not agree with me. I realise that he honestly believes that politicians, preferably lawyer politicians, can run a business better than business men. It is a matter of opinion, and if I press my view it is because if it had been found that politicians could run businesses more efficiently than business men we should have found to-day a large number of businesses being run by politicians, which is not the case. (*Lala Lajpat Rai*: "It is lack of money that prevents them.") That being so, I desire that the Board of this Reserve Bank should be primarily chosen because of their business abilities. I am not concerned with what community they belong to. Given the experience and business ability I should be prepared to accept a representative of labour. I merely suggest that they should be chosen primarily for their business experience and qualifications. On the other hand, I am in perfect agreement with Members on this side of the House and probably in disagreement with the Government when I say that, should you choose a man for his business qualifications and should this man happen to be a Member of this Assembly or other Legislature, that should be no bar to him taking his place on the Board. There I am probably against the Government. But my view is that we should go first for the man who has the business qualifications. I see my friend Mr. Muhammad Yakub is not in his place, but I should be very surprised if a Board chosen on those lines should not include a Mussalman. I am perfectly certain that probably from Bombay City anyway there would be a Mussalman elected. I do know that there are a number of Mussalmans in Bombay whose qualifications are such that they would be acceptable to any Board of any bank or of this Reserve Bank.

Now, there is an argument which has not been brought out and that is the argument that the Legislature might appoint not a politician, not a member of a community, but a business man. It is a school of thought which is led by my friend Panditjee, who says, "Let the Legislature elect not politicians but let them elect business men, and why should not the Legislature elect as good a business man as any other electorate?" This runs entirely counter to the arguments put forward this morning, for you will remember, the argument has been that members of different communities or interests should be elected as such and not because of their business capacity. But I think the argument of the school of thought led by Pandit Malaviya is one worthy of attention. My objection, my only objection to it, is this. Given a number of business men as candidates to be elected by an Assembly, would the Assembly choose their representative purely and simply and primarily because of his business capacity or would they say "We like his political views and as he is also a business man, we are going to send him up"? It is because I have a feeling that he would be chosen primarily for his

political views and only secondarily for his business ability that I am against the Legislature appointing a Director, even though it should be narrowed down to the position that this Director must be a man of business experience, and I stand here to support this amendment purely from the business point of view, purely from the feeling that a business should be run by a business man, and I hope that I will get the support of all those Members of this Assembly who happen to be firstly businessmen and secondly politicians.

**Mr. M. R. Jayakar** (Bombay City: Non-Muhammadan Urban): Sir, I rise to oppose the amendment moved by the Honourable the Finance Member, and I do so from a point of view which represents the ordinary public man's opinion. I confess, Sir, when this Bill was introduced last time during the Simla Session and I had discussions with several of my friends who took the view now embodied in the amendment of the Honourable the Finance Member, I entirely agreed with the view that we should introduce into this Bank Bill nothing which would give rise to petty scheming, or raise those pushful forces which we all are aware of in political organisations. I agree with that view and to a certain extent I appreciate the point of view which the Finance Member represents. But I have since then grown wiser and also very suspicious as to why the Government are so anxious to keep out public men. Although they have had several opportunities of meeting the people's point of view, they have refused to yield on this point. Why are they so jealous of the Members of the Indian Legislature as to have express words in the Bill which amount to a ban on all public men who are gathered in this Assembly? I confess, Sir, that this unyielding attitude makes me extremely suspicious as if it were a case of protesting too much. To-day I am asking my Honourable friends to examine this view of the Honourable the Finance Member from the public man's point of view, free from prejudice, free from misconception or preoccupation of any kind. I do represent a certain view, Sir, which is required to be pressed before this House. I am very sorry, Sir, that I have to differ from the expert opinion of my Honourable and esteemed friend Sir Victor Sassoon, when he laid down this dictum which I have very carefully noted "Business undertakings can be best managed by business men." I ask him, how does it happen that Sir Phirozeshah Mehta was the first Chairman of the Central Bank? He was not a business man; yet he made a most successful administrator and provided a salutary check and curb upon all the expert business talent which sat round him. I believe, Sir, that Sir Victor Sassoon's dictum is an old superstition. It may no doubt appear to be a truism that business men can manage business much better than anybody else can but it is only a half truth.

3 P.M. Business men after all are experts, and all experts are tyrants in their own way. I hold the view, Sir, which I am not ashamed of, that the best combination that you can get for such purposes is that of the ordinary hard-headed public man, representing the taxpayer's point of view, of the ordinary man in the city, with the expert with technical knowledge and skill. If we put all experts together, it will be a combination of narrow-visioned, self-opinionated men, who will listen to nothing that is outside the limited ken of their own knowledge and experience. Therefore, I maintain the view and I regard all contrary theories as exploded superstitions, that even for the business of a bank the best combination is public men sitting cheek by jowl with the business men, and

[Mr. M. R. Jayakar.]

both working together, in complete understanding of one another's view points. If business men can be politicians, why cannot the reverse be possible? Several business men claim to be here and vote as politicians; they claim to understand politics, and may I know, if that is their claim, why do they grudge to us, public men, the right to say that we can understand business quite as well with the aid of a little expert knowledge? I ask the Englishmen opposite: 'Did you not try this in your own country'? Do you not remember the time when Lord Haldane went to the War Office? I remember the comments which were made at that time in the London Press, and many people cheerfully opined that he was going to be a failure. "What, Lord Haldane, the unpopular exponent of German philosophy in England, going to the British War Office? Anathema and curse!" And yet he turned out to be a successful administrator at the War Office. Was he an expert? No. Yet he, I believe, remembered one thing which the experts who surrounded him were likely to forget, *viz.*, he knew, with his finger on the pulse of public sentiment, what the public demanded and what was good from their point of view, and he maintained that point of view, the expert knowledge necessary for carrying it out being supplied by his companions, who had perhaps spent 30 or 35 years in their own particular department. That is the way Government in technical matters is carried on in England. They do not make a hobby of specialization. The same ought to be the case here, especially because the Britisher monopolizes all avenues of technical knowledge.

Sir, I happen to be, for the moment, at the head of a Committee technical in one sense, which the Government of India have appointed, called the Roads Development Committee. It is connected with a technical subject, fit for Engineers. And yet I am very glad that I am at the head of that Committee. If it was all made up of engineers and experts, they would, it was not unlikely, have taken us into a pit from which it will be the duty of us, public men, to save it. I can give this House many more instances of business men managing successfully business affairs along with public men. May I ask Sir Victor Sassoon how is it that Sir Dinshaw Wacha, a veteran public man, happens to be on the Board of Directors of a large bank in Bombay? Has he been a failure? My Honourable friend Sir Phiroze Sethna, another public man, also happens to be a Director of a bank. Has he been a failure? Can Sir Victor Sassoon point out a single flaw in the management of these Banks, attributable to the incompetence of these public men? Why are they there? They are there because they represent a distinct point of view, which the business man, owing to his preoccupations or, if I may say so, his limited outlook, is apt to overlook. Therefore, I hold the view, which I am endeavouring to put before the House, that they should leave aside in this age all these Shibboleths—I was almost going to use a stronger expression—this concealed dislike of politicians. I am afraid the Honourable the Finance Member, perhaps unconsciously, living in the atmosphere which surrounds him, although he does not himself belong to the Heaven-born service, has imbibed the prejudices of his companions.

**The Honourable Sir Basil Blckett:** May I interrupt the Honourable Member on a personal matter? I love politicians and have never concealed my affection for them.

**Mr. M. E. Jayakar:** I am glad to hear that. Let him then translate that affection into action by at once dropping this amendment and let us proceed to another. (Laughter.) Therefore, my submission is that it is too late for this House in the twentieth century to adopt the Shibboleths of mid-Victorian age. What is our Finance Committee? Have we not on it public men like my friend Mr. Aney and others? I cannot understand what is there so difficult in the Reserve Bank that an average intelligent public-spirited man cannot grasp it even with the aid of experts. Why are we making a superstition of this business? What is this "business" which I cannot understand as a lawyer after a little help rendered by Sir Victor Sassoon for about a couple of hours? Surely we are not asking too much from our brains if I make this claim. And yet these narrow visioned business men claim to dabble in all politics. They do not specialise in politics and what is worse they never even bother to study and understand, and yet they claim to be the equal of anybody on this side of the House, of men who have spent 30 or 35 years in public life like our esteemed colleague Pandit Madan Mohan Malaviya. They claim to be his equals on the ground that they have an intelligent brain which can study and understand questions of legislation. Why not concede the same claim to some of us who have equally intelligent brains, if they can only be supplemented by the expert knowledge of Sir Victor Sassoon. Therefore, I ask my Honourable friends opposite that they should not labour this point too much. Government are creating an atmosphere of suspicion. I know it is foolish to speak in these strong terms this evening, when the strength on the popular side is very much impaired owing to a wrong mandate given by a political body. Anybody who values his words would not at all address this House this evening. It is purely waste of breath. I value my words as much as anybody on the opposite side. Still, knowing the fate of this amendment as I do, I thought it was right to put this point of view before the House so that a decision may be arrived at on a complete understanding of the issues involved in this amendment.

**Lala Lajpat Rai** (Jullundur Division: Non-Muhammadan): Sir, I want to put a point of view before this House which has not so far been put. My point of view is based on the fact that this Bank is not only a business institution but it is a political institution as well. It is going to have the determination of the currency policy of the Government of India. It is going to deal with the reserves of the Indian Government and of the Indian people and as such it cannot be said to be a non-political institution. Therefore, all such arguments that only business men should be there to manage the affairs of this Bank are absolutely beside the point and are not real. Is the Government of India a political institution or not? Will Sir Victor Sassoon join with me in desiring that the Government of India should have no hand in the appointment of any Director? If he does that, then we might come to some understanding by which the Legislatures may also be deleted. But so long as the Government of India is going to manage this Bank directly or indirectly, so long as the Government of India is going to have the power of appointment of so many Directors on the Directorate, I think the interests of the tax-payer require that the Legislatures should also have a hand in having a certain number of Directors on the Board. That is absolutely necessary. I might, with great respect, submit, Sir, that this Government is getting into the habit of appearing to give with one hand and taking it away with

[Lala Lajpat Rai.]

another. The object of this Reserve Bank Bill is said to be to take away the power of dealing with the currency from the hands of the Government and to make it an independent institution. Sir Basil Blackett has been waxing very eloquent that this scheme of his is going to give us financial and economic Swaraj. The very word "Swaraj" indicates politics and political considerations. The fact of the matter is that at the present moment the Government of India enjoys the exclusive power of dealing with the finances of this country, of dealing with the reserves and currency policy, through the Secretary of State. We want that they should be practically deprived of that power. Still efforts are being made to leave the management of this Bank in the hands of the Government by denying the Legislatures and the popular element in the country the power to have representation on the management of the Bank. I submit that is not fair. That is, I say, crooked. That is the only word which I can use for this amendment. The policy of the Government of India has invariably been to give with one hand and take it away with another. Does my friend Sir Victor Sassoon understand that the whole world at the present moment is groaning under the oppression and tyranny of big business? We don't want big business to control the affairs of the country. We want that big business should be directed by common sense, and we want the rights of the people of this country to be protected. I therefore object to this on principle. Let business men manage their business. They are not concerned with the state of the ryot who contributes to the exchequer. Every penny that comes to the Government Treasury comes from the sweated brow of that ryot. Are we going to entrust that money to the nominees of Government? If we do, we are traitors to the cause of the country, traitors to the tax-payer and to the interests of the tax-payer. The interests of the tax-payer require to be protected, and no one can protect them so well as the representatives of the people in the Legislature. No big business man can. His interest lies in having dividends. I submit that that point of view should be kept in mind. We cannot look upon this proposition from the purely business point of view. Big business has brought the world to ruin. All these wars are due to the spirit of business. We are not going to aid and abet them. They may go on so long as they have the power of the banks behind them, but certainly not by our voluntary vote. I submit that this is all moonshine to talk of this business being managed by business men. The Government of India wants to satisfy certain political ambitions, and it has done so recently, when we read that Sardar Sunder Singh Majithia had been appointed a Director of the Imperial Bank at Bombay. What business has he done up to this time? It is because the Government of India's political interests are better served by him. That will be one of the considerations in the appointment of Directors by the Government of India, even upon this Directorate. Are they going to be appointed Directors from the business point of view alone? Certainly not. You won't have even one Indian as a Deputy Governor of this Bank. Is that from a business point of view or from political considerations? If the scheme is accepted, this Reserve Bank Bill, which is going to deal with the future payments of the tax-payer, will have a bank which is going to be exclusively European managed, either appointed by the Government or elected by the Chambers of Commerce. We strongly oppose that principle. I

submit that all these arguments show that the Government of India has a sinister motive in taking away this power from the Legislature. So long as the Government of India is irresponsible to this Legislature, so long as it represents the interests not of this country but of another country, we cannot trust that Government to be fair to us and to deal with us generously on principles of public good. That is the crux of the situation. If this had not been so, you would be given all power, but the Government of India, as at present constituted, is irresponsible to the people of this country and to the Legislature, and we cannot trust the management of this Bank wholly to the Government of India or to business men. If the Honourable the Finance Member's proposal is accepted, it would give the whole management to the Government of India. Who are going to be the representatives of these Chambers of Commerce? They are all men who are supporters of that policy which the British Government represents in this country; so whether the nominees of the Government of India or the Chambers of Commerce, the Banks will be practically managed by anti-Indian interests or pro-European interests. That certainly is very objectionable in the interests of the tax-payer, whether from the Hindu or the Muhammadan point of view. My friend, Sir Victor Sassoon, wanted to give a bait to the Muhammadans by saying that a Muhammadan from Bombay would be elected. What they should have as a right should not be granted only as an act of clemency or sufferance. What we are fighting for is necessary to the vital safety of the interests of this country. It will only add to the bitterness of the situation, and will not improve the situation in the least.

**Sir Purshotamdas Thakurdas:** Sir, I feel that while Sir Victor Sassoon put before this House the view of the average business man, as he called it, I would venture to put before the House the views of exactly the same community, the average business man, but in my case it is the views of my constituency which has a membership of 500 members actively engaged in business.

Sir, the constituency which I represent in this House indicated that they would like—constituted as the Government of this country at present is—they would like some representation from the Legislature on the Reserve Bank. All business men—why, I would say, everybody—would like to manage his own business with his own friends, with those who have the same knowledge and the same views as he himself has. If I may go further and say—I mean no disparagement to anybody at all—everybody would like to run a business himself if he possibly can. That is human nature. Business men are no exception to this ordinary rule. But here we have got to consider the management of this Bank, not from the point of view of any community or set of people or individual, but what is in the best interests of the country. And my constituency and I have not the least hesitation that in that view nothing better can be devised—in fact the Honourable the Finance Member has himself confessed that he has no alternative to put before this House—than what the Joint Committee recommended.

I do not wish to repeat, Sir, the various points which have been so elaborately put before the House by my friends. Lala Lajpat Rai and others, that politics are being brought out as something to frighten people with when it suits Government. My constituency like to be free from politics and from things political if they possibly can, but they ~~may~~ can help following the lead of the Government of India, and are then accused of being a commercial body with a political outlook. I would like somebody

[Sir Purshotamdas Thakurdas.]

to mention what body commercial there is in India which has not an outlook more deeply political than my constituency has. I feel that the idea of keeping the Bank free from political influence is, if I may say so with all deference, a sham. The idea started with the hobby of a certain important person or set of persons and it is now being handed down. It is being pressed on the Government of India by the Secretary of State.

**The Honourable Sir Basil Blackett:** No, that is not true.

**Sir Purshotamdas Thakurdas:** That is my information, but I stand corrected if the Honourable the Finance Member says I am not correct. The information is that it is being pressed on the Government of India.

**Mr. Vidya Sagar Pandya:** It is so. I have got a copy of a letter.

**The Honourable Sir Basil Blackett:** I am quite willing to put my word against Mr. Pandya's letter.

**Sir Purshotamdas Thakurdas:** I will leave it to the Honourable the Finance Member and Mr. Pandya to clear this up later. My point is this. In democratic countries where there are self-governing institutions, there can be something to say as far as political influence of the Legislature is concerned. But to say that the Legislatures of India, as at present constituted, or as indicated by the enquiry which we are to have very shortly, are likely to exercise any influence which can count, or which is more sinister or more anti-Indian than the political influence exercised by the Government of India as at present constituted, is a proposition which will require a good deal of beating for its extraordinary extravagance. That, Sir, is a proposition which will hardly stand repetition. I feel that those who run down the Indian Legislature on the score of political influence had best look at the more serious political influence which they themselves exercise and which we on this side of the House are out to fight.

There is one more point that I would like to urge and that is that the Joint Committee tried to take full cognizance and paid the greatest attention—and if I may say so, the greatest consideration—to the Honourable the Finance Member's solicitude to keep the Bank outside the orbit of political influence. The Finance Member will admit that nothing which could be mentioned by anybody would appeal to him—obviously, because he was all along for a shareholders' bank; but identified with a State Bank which for the time being at any rate he had adopted, he had no constructive suggestion to put before us. And I wish to point out to this House a pitfall which may be made much of at a later stage if they to-day pass this amendment which is now before the House, and the next amendment. The scheme as put forward in the Joint Committee's Report, Sir, contained 16 Directors of whom 15 were to vote. We have now, by passing the previous amendment making two Deputy Governors instead of one, 16 voting Directors. If the Finance Member's present amendment is passed and the next one also, then there will be only 10 Directors left. Surely, Sir, the Finance Member will not say that he thinks that a Board of 10 Directors is sufficient by any means for the purpose of managing the Reserve Bank. He is therefore asking this House to leave this measure incomplete, so that there may be some excuse to complete it somewhere else. Whether the House would like a measure which they send out to be touched up anywhere else or not is a question on which we will have the opinion of the House at a suitable time later on. But I wish to point out that if the

Finance Member is fair to this House he should, whilst pressing for omission of these two, substitute some other constituencies with 6 Directors. Inasmuch as he does not do so, he is leading the House on to a pitfall which, if the House falls into, he will make capital of later on, when he brings the Bill back again to this House as he has already indicated is his intention. I therefore suggest that, in fairness to the Joint Committee, as a lesson to the Finance Member that he can bring here no amendment which is incomplete, and to guard against the pitfall which I have just now mentioned, this amendment and the next one, if the Finance Member does move it, are both amendments which the House should turn down without the slightest hesitation.

(Several Honourable Members moved that the question be put.)

**Sir Walter Willson** (Associated Chambers of Commerce: Nominated Non-Official): Sir, I shall not take anything like the length of time of my predecessors in this debate to make the few points I wish to make. I would like to point out to my Honourable friend Mr. Jayakar first that business men do not seek to interfere with and control the law. We are quite willing to leave law to the lawyers. (*Mr. M. R. Jayakar*: "Are you?") But we do strongly object to lawyers trying to control purely business affairs. We know perfectly well, from long and bitter experience, that the best men to control business are business men who have spent their lives in business and have had a thorough education in it. I might quote to you one example of a very distinguished man, not a business man, being brought into the Directorate of a business about which there was quite a jibe in London at the time, and that was when a late Viceroy of India went into business in the City. There was a little riddle going round—"When was Whittaker (W) right?" The answer was "When he took the Dufferin!"

Then my Honourable friend Lala Lajpat Rai tried to make out that this Bank is a political institution. I do not want to take up the time of the House in dealing with that question at all. The simple point I wish to make is this. Whatever the Bank may be, it is important to see that it is not subjected to political control, political domination and political influence. It is important to see that Directors are not appointed as a reward for party services, and that is what might be the effect of this clause if it were allowed. I will go so far as to say that my constituency would not wish to vote for me as a Director of this Bank so long as I was a Member of this House, though perhaps I might hope that they would otherwise be pleased enough to have me as a Director of the Bank! Now I am surprised to find the number of Members who have supported this clause as it is worded who do not seem to realise that this clause as it is worded would even prevent me from having any say in the men to be elected from this House. My Honourable friend Maulvi Muhammad Yakub is very anxious to have a Muhammadan on this Board and yet he is voting in favour of a clause which would prevent me from giving him the vote which he might reasonably consider he had a chance of getting.

I was surprised to notice also what ideas prevail as to what businessmen are. I was distinctly amused to hear that my friends Sir Dinshaw Wacha and Sir Phiroze Sethna are not businessmen. All I can say is that I shall be happy to tell Sir Phiroze that opinion of the House the next time I see him!

[Sir Walter Willson.]

Now it is said the Finance Member has not offered you any alternative. All I can say is, if that is really your opinion, you have not studied clause 9 of the Bill which was published in the Gazette recently (*Sir Purshotamdas Thakurdas*: "Is it before the House?") which does give you what is in the mind of the Finance Member.

Lala Lajpat Rai also, if I may say so, is a little out of date when he refers to the oppression and tyranny of big business. It is nowadays becoming more and more realised in the United Kingdom that the interests of small and big business and of the workers are more one than ever they were. (*Lala Lajpat Rai*: "Question! A big question!") And there is every evidence of a great desire on both sides to get together and settle their differences.

**Lala Lajpat Rai**: That is a different thing; that is politics!

**Sir Walter Willson**: I can only further say that every Chamber of Commerce that I represent in this House is totally opposed to any idea of political influence over this Directorate, and this clause has the entire disapproval of everyone of them.

**Mr. Vidya Sagar Pandya**: Sir, may I make a personal explanation in view of the remarks which fell from the Honourable the Finance Member?

**Mr. President**: The Honourable Member will be at liberty to speak on the next amendment which is on the same lines and make his personal explanation, if any, then.

**\*Mr. S. Srinivasa Iyengar** (Madras City: Non-Muhammadan Urban): Mr. President, I have the greatest possible pleasure in opposing the amendment of the Government to omit this clause. There was a time at Simla when I thought this Government and the popular parties in the Assembly would come to an agreement. It is quite obvious that dictation has resulted in the introduction of a new measure, and this is a most unreal procedure which has been adopted by the Government for the purpose of taking a vote upon very many questions which are really not the questions before us. They do not make any substantive alternative proposals. They simply want to omit the three Directors to be elected by the elected Members and the other motion that stands in the name of the Honourable Sir Basil Blackett. It is quite obvious that this is not really a *bonâ fide* amendment which is proposed by the Government. What they want is to introduce quite different proposals, as I understand, in another place. Advantage was taken by the Finance Member of referring to my Honourable friend Mr. Jamnadas Mehta's speech the other day. What was meant in joke is taken by the Honourable Member as really authorising him. I repudiate on behalf of my party any such authority to the Honourable the Finance Member to introduce in another place any such Bill, and therefore we are really dealing with proposals which are absolutely not meant to be active. There is no other substantive proposal. I myself gave notice at one time, when the Finance Member and several Members on this side of the House were willing to come to some sort of agreement upon the Directorate, of alternative proposals. The Government have not revived those alternative proposals.

It is quite obvious therefore that Government stand in the position that they are committed to certain proposals as a result of dictation

\*Speech not corrected by the Honourable Member.

elsewhere, to which we Members on this side of the House can never submit. There may be compromises occasionally between the Government and the popular parties but we are not going to have any kind of dictation thrust down our throats in pursuance of any orders from the Secretary of State. For that reason, Mr. President, I most wholeheartedly and without any reservation oppose this amendment which Sir Basil Blackett now proposes to make. What is his objection? Is his objection to three Directors? Is it his objection that the three directors should not be elected? Is his objection to the Indian Legislature or to the electorates of the Indian Legislatures or is it his objection that one of the members should be elected to represent the interests of commerce and industry? I cannot understand how the Government can object to the Indian Legislature or how it can object to the electorates of the Indian Legislature. Nor can I understand how they can object to any method of election by the electorates of the Legislature. It is quite obvious that what they really want is what fell from the last speaker, namely, that politicians should have no place whatever in this bank. Lawyers are taboo and there should be no legal talent on the bank. Now, the whole of English politics is run by lawyers and I do not understand this perpetual fling at lawyers which it has been the chief custom on the part of some Members on the other side to indulge in. The less they talk about lawyers the better for them. The sooner they give up this perpetual sneer and contempt thrown at the lawyers, the better will it be for their own interests. Therefore, Sir, this kind of talk must cease. What the Government mean is that they do not want certain men of a certain complexion. Are we to understand the men sitting on the other side are not politicians? They are the deepest politicians and I do object to politics of the wrong complexion. The other side of the House is as political as, if not more political than, this side, and it represents politics of the most perverse and unwholesome type. The Government is run by politicians and if this clause is not accepted as it stands, as proposed by the joint wisdom of the Joint Committee, then politics is going to run amok in the Reserve Bank. What do you mean by politics? Are the Members of the Congress Party, the Nationalist Party and the Independent Party the only politicians in this House? Have the European block no politics? We know that they have very definite politics. Have the official benches no politics? Have the nominated Members who invariably vote with Government no politics? What is the use of saying that there is no politics? It is all political. We must take the gentlemen elected to the Board of Directors to be honest. We must give every man his due and presume that they will put aside partisan considerations and exclusively political considerations in deciding the various financial transactions which may be committed to their care. This perpetual suspicion must cease if there is to be any kind of understanding. We are told on one side "You must co-operate. You must co-operate". On the other side your action means nothing but an invitation to greater resentment in the country, greater boycott and greater non-co-operation. In order to meet the opinion of Government I was prepared on behalf of my Party to make, at one time, alternative proposals which would be acceptable to many Members, but unfortunately those proposals have been knocked on the head by the archons of England. You have now got the State Bank on paper and you want to get rid of it in another place. It is therefore right, on behalf of the Congress Party, for me to express in the clearest possible terms our desire to associate ourselves with every word that has been said about the deep, deliberate and calculated insult

on the elected Members of this Assembly when they are told that they are not fit to be on the Reserve Bank. With these words, I heartily associate myself with the opposition to this amendment.

**Mr. Fazal Ibrahim Rahimtulla** (Bombay Central Division: Muhammadan Rural): I am extremely sorry that the Honourable the Finance Member should have brought forward this amendment and should want to press it on the House. I have listened to the speech of the Honourable the Finance Member and I find that the only argument that he puts forward is that he does not want any political interference in the Reserve Bank. I may remind this House, Sir, that the Joint Committee wanted a certain number of Directors, say 14 or 15 or 16. When they laid down a particular number, their intention was to get an Indian majority. In order to find out how to secure an elected Indian majority, they were in search of constituencies which would represent the Indian commercial interests as well as the Indian interests as a whole. They thought out all possible schemes. They had various alternative schemes before them but they could think of no other constituency than the Legislature which would send in the men who would represent the whole country. This was the underlying idea regarding the insertion of the provision of three Directors to be elected by the Central Legislature. Now, the point of my friend Sir Walter Willson, and I think that is the point of Government also, is that if we ask the Central Legislature to elect three men they might elect men who want to get some remuneration for the work that they have done for their own parties, who would stoop so low as to sacrifice the interests of the country to mere party propaganda. I hope, Sir, that argument will cease and I hope Sir Walter Willson will realize that we are here to select the best men. Sir Walter Willson has admitted that his constituency would have elected him had he not been in the Legislative Assembly. What does that show? Sir Walter Willson is quite capable of serving on the Reserve Bank, but the misfortune of being in the Assembly debars him from serving on the Reserve Bank. I hope, Sir, this argument will cease. If you want the best men, tell us the constituencies from which you can select them and we are willing to accept that amendment; but if you are not going to give us the best constituencies from which we can get elected Indians, who would represent Indian interests and you would form a majority in the Reserve Bank, then we say that that is not the way to treat the House properly. You should not reduce the number of Directors and tell us "either accept this or have nothing at all." I hope I have explained what this side of the House feels on an occasion of this character. The Finance Member is anxious that there should be compromise, a feeling of friendliness and that the Reserve Bank Bill should be carried in a calm atmosphere and in an atmosphere of good will. We have put all our cards on the table and the Finance Member is not treating us fairly in this matter. This is the great grievance which this side of the House feels. This side of the House has told the Honourable the Finance Member clearly that in the Reserve Bank by all means let us have the best men, let us have the commercial community, but under any circumstances what we want is an elected Indian majority. Tell us how we can secure that and we will be able to think over things and see if we can find out a scheme. But to come here and say that the House should accept an amendment for the deletion of three Directors is to my mind inappropriate. I do not know, Sir, whether the Honourable the Finance Member has thought it proper to give representation by nomination to minorities. I do not think he will be looking after the interests of the country in doing so. When he says "you are electing three

Directors here on a political basis without consideration of the best interests of the country", I am tempted to ask whether the best interests of this country can be secured by the nomination of four persons whom it may suit Government to appoint. I hope, therefore, Sir, that this House will turn down the amendment moved by the Honourable the Finance Member.

**Mr. Amar Nath Dutt** (Burdwan Division: Non-Muhammadan Rural): Sir, when I came here from my sick bed it was a painful surprise to me to find this outrageous amendment on the list of business by such a good old friend of India, Sir Basil Blackett. It is the old old story of struggle for power by the bureaucracy whenever the democracy wants to snatch it away from the sun-dried bureaucrat. Sir, the story is repeated here as in the other humbler spheres of self-governing institutions. There you will find that the members of the bureaucracy are always eager to have the percentage of nominations increased and thus to have a hold on those so-called self-governing institutions which they parade so much. We have often heard, Sir, about the sympathy of our rulers, about Indian aspirations, and I would ask them calmly to consider whether this is another instance of that sympathy. Sir, I have listened to the argument on both sides about this matter and the painful impression left upon my mind is this, that we have been wasting our breath on both sides. Every one of us knew what the arguments would be of those who are supporters of a democratic form of Government, as also of those who are supporters of autocracy in this unfortunate land of our birth. So what was the necessity of rising one after another and casting our arguments upon unwilling ears. Even the dignified and sober arguments of my Honourable friend Maulvi Muhammad Yakub failed to create any impression upon a certain section of the Members of this Assembly. I can only sympathise with Maulvi Muhammad Yakub and I think he should have thought twice before saying anything here, because we know there are a certain class of people in this House who are bound to go with the Government, who have all along gone with the Government for reasons apparent on the face of it, and it is useless to attempt to persuade them to think of the interests of their own down-trodden countrymen. But the regret of it is that at times they advance arguments,—I will not say plausible arguments—but arguments in support of certain puerile theories of their own for supporting the Government, and it would have been better if we on this side had not adduced any arguments to meet those arguments, if they are arguments at all. In this connection I am reminded of an well known old story. A certain Minister of the King, Sir, once said that he would give all he had in this world if any one could convince him of the efficacy of a policy to which he was opposed. Now, Sir, there were several statesmen and politicians who thought they would be able to convince the Minister about it and wanted to discuss the matter with him. The Minister's promise reached the ears of his wife and she began to wail and weep and she said: "Oh, what have you done. As soon as you are convinced you will have to give up all and we will go out into the streets and will have nothing to live upon in this world". But the Minister consoled his wife by saying: "Why are you weeping? It is for me to be convinced, and if I do not want to be convinced, who can convince me!" (Laughter.) So, Sir, to attempt to convince the bureaucracy is an impossible task. They are determined

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not to be convinced. At times they put on an appearance of fair-mindedness and cover themselves with the cloak of sweet reasonableness in argument. But they are always true to their own end, and that is that they will not have Indians in power anywhere in any sphere of activity. That is the indication of their sympathy with our aspirations. I wish there had been present here the members of a certain Committee which shall be nameless for the present to listen to our arguments, when I think that some lawyers—the President of that Committee at least—happens to be a lawyer—would have been convinced of the futility of the arguments on the other side and also of our demand. But, Sir, as I have already submitted, it is useless to waste our time over this. It is perhaps as well to make our view points vocal here just to show to the world that in spite of our protest the Government carry on their own policy in their own way without caring for the wishes of the people. I do not wish to waste the time of your Lordship. (Loud Laughter.) I am a very humble lawyer accustomed to address law courts, and “Your Honour” or “Your Lordship” is a slip I occasionally make. You will kindly excuse me. I do not wish to add anything further to-day. I desire only to record my protest against the amendment which has been brought before this House, and to voice it on behalf of the people of India as one of their representatives.

**Munshi Iswar Saran** (Lucknow Division: Non-Muhammadan Rural):

Sir, the Honourable the Finance Member has said that he loves politicians. He has a peculiar way of demonstrating his affection. He deprives the beloved of what the beloved wants. I only hope that the Honourable the Finance Member's affection for us will decrease so that we may be able to get a little more than what he is prepared to give. My Honourable friend the distinguished leader of the Swaraj Party was intensely angry at the jibes and sneers at lawyer politicians. I am afraid I cannot share his anger. I feel satisfied when our friends, for reasons which it will be cruel to analyse, attack lawyer politicians. My satisfaction is that the influence of lawyer politicians is being felt, and it is, therefore, that we hear these criticisms. Sir Victor Sassoon has very frankly told us—and we have all learnt to associate frankness with his utterances—that he belongs to old-fashioned business circles. Sir, after having made that frank admission, it is not surprising that he should stick to old-fashioned arguments. (Sir Victor Sassoon: “I am not ashamed of that.”) I have taken down his very words because they are very valuable; he has said that “business should be run by business men” and may I add law by lawyers, and legislation by legislators who are lawyers. If my Honourable friend will accept my amendment, then the statement will be complete. Legislation, let me tell Sir Victor Sassoon with all respect, is not business, it is not export and import; it is something which is in essence legal. If, Sir Victor and his comrades would walk out of the Assembly, leaving the business of legislation to the cursed lawyers, I suppose then it would lie in their mouths to object to our being Directors of this Bank. But, Sir, let us closely analyse his statement. “Business should be run by business men”—I entirely agree. There is no one who will say that you take a lawyer or a professor or anybody like that and make him take part in the actual working of business concerns: we do not want a lawyer, for instance, or a professor to be appointed the manager of a firm; we do not want him to be appointed the accountant of a bank, but this

is very different from saying that a man of culture, a man of experience, a man of knowledge cannot take a useful part in the laying down of policy. Well, we are constantly reminded of England, and we are always asked to look up to England and follow the English standards and models. Whatever view I might have as regards this appeal and exhortation, may I tell my friends like Sir Victor Sassoon that as a matter of fact many retired Anglo-Indian officials, when they get Knighthoods, think of directorships of business concerns that they might get on their return to England. My Honourable friend shakes his head. (*Mr. B. Das*: "Lord Meston.") I do not mention any names. There is the difference between a lawyer and a non-lawyer; I am referring to all these people without mentioning names. (*An Honourable Member*: "Mr. Jayakar mentioned names.") Well, he was not talking as a lawyer then. A distinguished gentleman in Government service and a very good man once told me quite frankly that after he got his Knighthood, there was every chance of his being taken into the directorate of some concern on his return to England after his retirement. Then, Sir Walter Willson speaks with great authority, and he says—I have taken down his words—"we do not want the control, the domination and the influence of politicians in the Reserve Bank." As an abstract proposition, as an enunciation of an excellent theory, I fully accept it, but as a practical proposition, I consider it to be unattainable. May I put it like this? Take my Honourable friend, Sir Walter Willson, himself. Suppose he resigns his seat in the Assembly to-morrow and he is elected as a Director of the Reserve Bank. Now will he tell me in all sincerity that the moment he is elected or nominated a Director of this Bank he will go through the process of spiritual transformation, which will cure him of all politics and there will sit in the chair of the Director a purified, unadulterated and unalloyed business man, the new Sir Walter Willson. (*An Honourable Member*: "Question?") I submit the reason is this. You do not want us to have anything to do with the Bank: you do not want the Assembly to have any right to send up its own men who might perchance prove inconvenient, and you do not want to have them,—that is the whole thing. You cannot get rid of politics. I would, with your permission, Sir, ask the Members of Government whether when they nominate Members, are they not influenced by political considerations? (*An Honourable Member*: "No.") What is the good of saying "no"? If a man to-day, Sir, engaged in the affairs of life tells me that he is not interested in politics or that he has not strong political convictions, then the only criticism that I might permit myself to make is, either the man does not know his own mind, or that the man is not up to much. (Laughter.) You are bound to have politics. Take Sir Purshotamdas Thakurdas. He resigns to-morrow, and suppose a kind Government or a kinder Finance Member secures a nomination for him. Is he at once purified by going through the process of nomination and all the evil *karma* of his politics disappears, and he takes his seat on the Board as a purely business man, devoted to business principles, with business ideals uninfluenced by politics?

**The Honourable Sir Basil Blackett**: May I suggest, Sir, that the subject we are discussing is the question of the election by the Assembly of Members: it is not a question of Members sitting or not sitting, and I think a good deal of the discussions, if I may venture to say so, has gone astray in that direction.

**Munshi Iswar Saran**: I am much obliged to the Honourable the Finance Member for having reminded me, and perhaps for having reminded himself, that the discussion was going astray. Now if he will be

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pleased to consider my submission, he will find there was no necessity for him to make that observation, and it is this.

[At this stage an Honourable Member passed between the Chair and the Honourable Member, and he was called to order.]

Now the point is that there are two things that are possible. The first is that the Legislature is formed into an electorate, and that electorate elects its own men. The second is that the Legislature is formed into an electorate and elects men from outside. (*Mr. Jamnadas M. Mehta*: "Or it is both".) I was inviting the House to consider the first case, and if I had not been interrupted, I would have invited the House to consider the second case and then I would have begged the House to come to its own decision as regards the question at issue. I hope the Finance Member now will be pleased to agree, though he may not say so, that I was right, and that he was unkind in getting up to reprimand me. Sir, it is impossible, under the constitution itself, to eschew politics and not to allow political

4 P.M. considerations to come in. It would be, I am free to confess, a most desirable thing if, in this imperfect world of ours, and in these imperfect conditions, we could evolve a scheme by which politics could be entirely excluded, not from the electorates, but also from Government and its advisers. That would be an ideal state. But I am afraid as that is unattainable, so we have to be satisfied with the next best. Government having got the right of making nominations, I submit it is only right that, in view of the totality of circumstances existing at the present moment, the Legislature should have the right of sending up some men in order to safeguard the interest of the general unrepresented public. Now, take the second case, Sir. What is there to prevent the Legislature from electing men who are not Members? There is nothing as far as this clause goes which forces the Legislature to elect men who are Members. It is perfectly open to-day, if it so pleases, to elect men who have no manner of connection with the Central Legislature. I submit, Sir, that in view of all the circumstances, it seems to be—I do not wish to put the case very high—a very satisfactory solution of the present difficulty that the Legislature should retain this right. Because if you take this clause out and if you take the next clause out, then what will happen is that the majority of the men on the Board will be those who are nominated by Government in some shape or form and the chance of the popular feelings, popular wants, popular needs and popular sentiments, being expressed and being pressed in the Board are lessened. In view of all these considerations I submit that the House will be ill-advised in accepting the amendment moved by Sir Basil Blackett.

(Some Honourable Members moved that the question be put.)

**Mr. President:** Is it the desire of Pandit Malaviya to speak at this late hour?

**Pandit Madan Mohan Malaviya:** I will do so to-morrow, Sir.

**Mr. President:** If the Honourable Pandit desires to speak on this motion, the Chair knows what it means; it would not risk calling him at this hour.

The House stands adjourned till Wednesday morning, 11 o'clock.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 8th February, 1928.