

9th February 1938

**THE**

**LEGISLATIVE ASSEMBLY DEBATES**

**(Official Report)**

---

**Volume I, 1938**

*(31st January to 22nd February, 1938)*

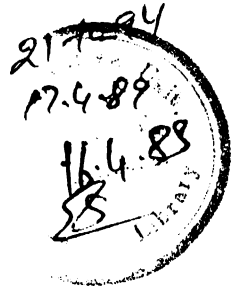
---

**SEVENTH SESSION**

**OF THE**

**FIFTH LEGISLATIVE ASSEMBLY,**

**1938**



PUBLISHED BY THE MANAGER OF PUBLICATIONS, DELHI.  
PRINTED BY THE MANAGER, GOVERNMENT OF INDIA PRESS, SIMLA.  
1938

)

A

# Legislative Assembly.

## *President :*

THE HONOURABLE SIR ABDUR RAHIM, K.C.S.I.

## *Deputy President :*

MR. AKHIL CHANDRA DATTA, M.L.A.

## *Panel of Chairmen :*

MR. S. SATYAMURTI, M.L.A.

SIR COWASJI JEHangIR, BART., K.C.I.E., O.B.E., M.L.A.

DR. SIR ZIAUDDIN AHMAD, C.I.E., M.L.A.

MR. L. C. BUSS, M.L.A.

## *Secretary :*

MIAN MUHAMMAD RAFI, BAR.-AT-LAW.

## *Assistants of the Secretary :*

MR. M. N. KAUL, BAR.-AT-LAW.

RAI BAHADUR D. DUTT.

## *Marshal :*

CAPTAIN HAJI SARDAR NUR AHMAD KHAN, M.C., I.O.M., I.A.

## *Committee on Petitions :*

MR. AKHIL CHANDRA DATTA, M.L.A., *Chairman.*

MR. M. S. ANEY, M.L.A.

MR. M. GHIASUDDIN, M.L.A.

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

MR. L. C. BUSS, M.L.A.

# CONTENTS.

VOLUME I.—31st January to 22nd February, 1938.

	PAGES.		PAGE.
<b>MONDAY, 31ST JANUARY, 1938—</b>		<b>TUESDAY, 1ST FEBRUARY, 1938—<i>contd.</i></b>	
Members Sworn . . . .	1—2	Motion for Adjournment <i>re</i> Refusal of the Under Secretary of State to consult the Provincial Governments <i>re</i> introduction of the Federation—Not moved . . . . .	170—71
Starred Questions and Answers . . . . .	2—32	Message from His Excellency the Governor General . . . . .	171
Unstarred Questions and Answers . . . . .	33—37	Panel of Chairmen . . . . .	171
Statements laid on the Table . . . . .	38—68	Committee on Petitions . . . . .	171
Motion for Adjournment <i>re</i> Mechanisation of the British Portion of the Indian Army—Talked out . . . . .	69, 111—34.	The Indian Companies (Amendment) Bill—Passed as amended . . . . .	172—74
Governor General's assent to Bills . . . . .	69	The Indian Tea Control Bill—Referred to Select Committee . . . . .	174—76
Message from the Council of State . . . . .	69—79	The manœuvres, Field Firing and Artillery Practice Bill—Passed as Amended . . . . .	176—206
The Trade Disputes (Amendment) Bill—Appointment of certain Members to the Select Committee . . . . .	79	The Destructive Insects and Pests (Amendment) Bill—Motion to consider adopted . . . . .	206—13
The Workmen's Compensation (Amendment) Bill—Appointment of certain Members to the Select Committee . . . . .	79	<b>WEDNESDAY, 2ND FEBRUARY, 1938—</b>	
The Indian Companies (Amendment) Bill—Discussion on the consideration of clauses not concluded . . . . .	80—88	Member Sworn . . . . .	215
The Repealing Bill—Passed as amended . . . . .	88—92	Starred Questions and Answers . . . . .	215—43
The Indian Tea Control Bill—Discussion on the motion to refer to Select Committee not concluded . . . . .	92—111	Unstarred Questions and Answers . . . . .	243—46
<b>TUESDAY, 1ST FEBRUARY, 1938—</b>		Statements laid on the Table . . . . .	247
Member Sworn . . . . .	135	The Import of Drugs Bill—Appointment of Sir Muhammad Yamin Khan to the Select Committee . . . . .	247
Starred Questions and Answers . . . . .	135—70	The Destructive Insects and Pests (Amendment) Bill—Discussion on the consideration of clauses not concluded . . . . .	247—49
Unstarred Question and Answer . . . . .	170		

	PAGES.		PAGES.
<b>THURSDAY, 3RD FEBRUARY, 1938—</b>		<b>FRIDAY, 4TH FEBRUARY, 1938—</b>	
Starred Questions and Answers . . . . .	251—72	Member Sworn . . . . .	325
Unstarred Questions and Answers . . . . .	272—74	Starred Questions and Answers . . . . .	325—37
Motion for Adjournment <i>re</i> Transfer of certain Villages in Merwara District to the Administrations of Jodhpur and Udaipur States—Disallowed by the Governor General . . . . .	275, 293—94.	Short Notice Questions and Answers . . . . .	337—39
The Durgah Khawaja Saheb (Amendment) Bill—Passed as amended . . . . .	275—81	Unstarred Questions and Answers . . . . .	339—42
The Code of Criminal Procedure (Amendment) Bill (Amendment of section 386)—Motion to continue adopted . . . . .	282	Motion for Adjournment <i>re</i> Export of Cotton to Japan contrary to the announcement of the Japanese Government—Disallowed . . . . .	342—44
The Code of Criminal Procedure (Amendment) Bill (Amendment of section 205)—Motion to continue adopted . . . . .	282	Resolution <i>re</i> —	
The Code of Criminal Procedure (Amendment) Bill (Amendment of section 103)—Motion to continue adopted . . . . .	282	Constituent Assembly—Debate adjourned <i>sine die</i> . . . . .	344—45
The Code of Criminal Procedure (Amendment) Bill (Amendment of section 167)—Motion to continue adopted . . . . .	283	Employment of Indians and payment of adequate wages to them by aided or subsidised industries—Adopted . . . . .	345—78
The Child Marriage Restraint (Amendment) Bill—Passed as amended . . . . .	283—93, 294—318.	Constitution of a Standing Committee for the Indian Army—Discussion not concluded . . . . .	378—93
The Muslim Dissolution of Marriage Bill—Discussion on the motion to circulate not concluded . . . . .	318—23	<b>MONDAY, 7TH FEBRUARY, 1938—</b>	
The Indian Tea Control Bill—Appointment of certain Members to Select Committee . . . . .	323	Starred Questions and Answers . . . . .	395—412
		Short Notice Questions and Answers . . . . .	412—17
		Motion for Adjournment <i>re</i> Ban put by the Government of the Punjab on Prof. N. G. Ranga, M.L.A.—Disallowed . . . . .	418
		Election of Members to the Public Accounts Committee . . . . .	418—19
		The Control of Coastal Traffic of India Bill—Appointment of certain Members to the Select Committee . . . . .	419
		The Destructive Insects and Pests (Amendment) Bill—Passed as amended . . . . .	419—26

	PAGES.		PAGES.
<b>MONDAY, 7TH FEBRUARY, 1938—<i>contd.</i></b>		<b>THURSDAY, 10TH FEBRUARY, 1938—<i>contd.</i></b>	
The Commercial Documents Evidence Bill—Referred to Select Committee . . .	426—31	The Indian Tea Control Bill—Presentation of the Report of the Select Committee . . .	558
The Dangerous Drugs (Amendment) Bill—Passed as amended . . .	431—35	<b>MONDAY, 14TH FEBRUARY, 1938—</b>	
The Criminal Law Amendment Bill—Circulated . . .	436	Member Sworn . . .	559
<b>TUESDAY, 8TH FEBRUARY, 1938—</b>		Starred questions and answers . . .	559—85
Starred Questions and Answers . . .	439—44	Message from His Excellency the Governor-General . . .	585
Unstarred Question and Answer . . .	444—45	The Workmen's Compensation (Amendment) Bill—Presentation of the Report of the Select Committee . . .	585
The Insurance Bill—Amendments made by the Council of State agreed to, subject to further amendments . . .	446—66	Presentation of the Railway Budget for 1938-39 . . .	585—92
<b>WEDNESDAY, 9TH FEBRUARY, 1938—</b>		Election of the Standing Committee for the Department of Commerce . . .	593—94
Starred Questions and Answers . . .	467—80	Election of the Standing Committee for the Department of Education, Health and Lands . . .	595
Unstarred Question and Answer . . .	480	The Stamp Duties Unification Bill—Introduced . . .	596
Election of Members to the Public Accounts Committee . . .	480	The Indian Oaths (Amendment) Bill—Referred to Select Committee . . .	596—600
The Indian Railways (Amendment) Bill (Insertion of new section 42-B)—Circulated . . .	481—95	<b>TUESDAY, 15TH FEBRUARY, 1938—</b>	
<b>THURSDAY, 10TH FEBRUARY, 1938—</b>		Member Sworn . . .	601
Member Sworn . . .	497	Starred Questions and Answers . . .	601—34
Starred Questions and Answers . . .	497—507	Short notice Question and Answer . . .	634—35
Short Notice Question and Answer . . .	507—08	Unstarred Questions and Answers . . .	635
Statements laid on the table . . .	508	Statements laid on the Table . . .	635—42
The Muslim Dissolution of Marriage Bill—Circulated . . .	509—13	Motion for Adjournment <i>re</i> failure to safeguard the interests of India in the Financial Settlement between India and Burma—Not moved . . .	643—44
The Child Marriage Restraint (Amendment) Bill—Discussion on the motion to refer to Select Committee not concluded . . .	513—58		

	PAGES.		PAGES.
<b>TUESDAY, 15TH FEBRUARY, 1938—<i>contd.</i></b>		<b>THURSDAY, 17TH FEBRUARY, 1938—<i>contd.</i></b>	
Resolution re—		Unstarred Question and Answer . . . . .	789
Constitution of a Standing Committee for the Indian Army—Adopted as amended . . . . .	644—64	Motion for Adjournment re Dispersal of the crowd in front of the Legislative Assembly Chamber under section 144 by the District Magistrate, Delhi—Disallowed . . . . .	790—91
Establishment of a University at Peshawar—Discussion not concluded . . . . .	665—86	The Railway Budget—General Discussion . . . . .	791—834
Statement of Business . . . . .	686—87	<b>FRIDAY, 18TH FEBRUARY, 1938—</b>	
<b>WEDNESDAY, 16TH FEBRUARY, 1938—</b>		Member Sworn . . . . .	835
Starred Questions and Answers . . . . .	689—715	Starred Questions and Answers . . . . .	835—53
Unstarred Questions and Answers . . . . .	716—17	Unstarred Questions and Answers . . . . .	853
Motion for Adjournment re—		Statements laid on the Table . . . . .	854
Failure of the Home Member to meet a deputation for protesting against Government's support to the Child Marriage Restraint (Amendment) Bill—Disallowed . . . . .	718—19	Message from the Council of State . . . . .	854
Constitutional crisis occasioned by exercise of powers conferred by section 126 of the Government of India Act—Disallowed . . . . .	719—23	Election of the Standing Committee for the Labour Department . . . . .	855
The Child Marriage Restraint (Amendment) Bill—Referred to Select Committee . . . . .	723—42	Election of Members to the Standing Committee on Pilgrimage to the Hedjaz . . . . .	856
The Code of Criminal Procedure (Amendment) Bill (Amendment of Section 103)—Motion to circulate negatived . . . . .	742—58	The Stamp Duties Unification Bill—Motion to consider not moved . . . . .	856
The Code of Criminal Procedure (Amendment) Bill (Amendment of Section 167)—Discussion on the motion to circulate not concluded . . . . .	758—64	The Indian Tea Control Bill—Motion to consider adopted . . . . .	856—67
<b>THURSDAY, 17TH FEBRUARY, 1938—</b>		<b>MONDAY, 21ST FEBRUARY, 1938—</b>	
Member Sworn . . . . .	765	Starred Questions and Answers . . . . .	869—86
Starred Questions and Answers . . . . .	765—89	Unstarred Questions and Answers . . . . .	886—88
		Motion for Adjournment re Arrest of Haji Akbar Ali Khan, a member of the Frontier Legislative Assembly—Ruled out of order . . . . .	888—89
		Message from the Council of State . . . . .	889

	PAGES.		PAGES.
<b>MONDAY, 21ST FEBRUARY, 1938—contd.</b>		<b>TUESDAY, 22ND FEBRUARY, 1938— contd.</b>	
The Railway Budget—List of Demands . . . . .	890—938	The Railway Budget—List of Demands—contd. . .	950—99
Demand No. 1—Railway Board . . . . .	891—938	Demand No. 1—Railway Board—contd. . . . .	950—95
Provident Fund for low paid employees . . . . .	892—95	Composition of Staff attached to the Office of the Conciliation Officer—Col. Wagstaff—in Calcutta . . . . .	950—53
Railwaymen's grievances . . . . .	895—907	Imposition of undue Demands made by the Railway Board for House Rent of Railway Employees of G. I. P. Railway . . . . .	955—58
Policy behind increased output of State Railway Collieries . . . . .	907—28	Salaries of Railway Improvers and Apprentices in service before introduction of pre-co-ordinated Rates of Pay and New Scales of Pay with special reference to E. I. Railway . . . . .	958—59
Advertising for Drivers and Guards on the G. I. P. and E. I. Railways on terms in Violation of the Railway Board Notification . . . . .	928—31	Difficulty in obtaining leave legitimately due to Staff owing to reduction in Staff . . . . .	959—61
Violation of Rules governing the Payment of Wages Act . . . . .	931—32	Policy of Rates and Freight affecting Commerce and Industry . . . . .	962—78
Deprivation of Passes to Railway Employees . . . . .	932—35	Failure of the Railway Board to enforce the Home Department Resolution re 25 per cent. services to Muslims in Railway Services . . . . .	978—95
Violation by Railway Administrations of Railway Board Rules governing Promotion of Subordinate Staff . . . . .	935—38	Demand No. 6E—Working Expenses—Expenses of Traffic Department . . . . .	995—99
Composition of Staff attached to the Office of the Conciliation Officer—Col. Wagstaff—in Calcutta . . . . .	938	Economy . . . . .	995—99
<b>TUESDAY, 22ND FEBRUARY, 1938—</b>		Message from the Council of State . . . . .	999
Starred Questions and Answers . . . . .	939—50		

# LEGISLATIVE ASSEMBLY.

Wednesday, 9th February, 1938.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

## STARRED QUESTIONS AND ANSWERS.

### (a) ORAL ANSWERS.

#### FACILITIES FOR SECRETARIAT TRAINING IN UNIVERSITIES.

177. \***Mr. T. S. Avinashilingam Chettiar:** Will the Secretary for Education, Health and Lands state:

- (a) whether Government have received replies from all universities with regard to giving secretariat training;
- (b) whether any have agreed to give such training; and
- (c) if so, when they are going to begin?

**Sir Girja Shankar Bajpai:** (a) No.

(b) and (c). The attention of the Honourable Member is invited to the reply given by me to his starred question No. 953 on the 1st October, 1937. No additional information has been received since.

**Mr. T. S. Avinashilingam Chettiar:** May I know which universities have not replied yet?

**Sir Girja Shankar Bajpai:** The Andhra University and the Punjab University.

**Mr. T. S. Avinashilingam Chettiar:** May I know the reason for this great delay?

**Sir Girja Shankar Bajpai:** I think that question ought to be addressed to the University authorities, not to me.

**Mr. Lalchand Navalrai:** Have you expedited them?

**Sir Girja Shankar Bajpai:** How do I expedite a University?

**Mr. Lalchand Navalrai:** Write to them to send a reply soon.



# NEGOTIATIONS WITH THE GOVERNMENT OF ITALY ABOUT THE RECOGNITION OF INDIAN MEDICAL DEGREES.

178. **\*Mr. T. S. Avinashilingam Chettiar:** Will the Secretary for Education, Health and Lands state:

- (a) whether the negotiations with the Government of Italy with regard to the recognition of Indian medical degrees have come to any conclusion; and
- (b) if so, what is the result of the negotiations?

**Sir Girja Shankar Bajpai:** (a) and (b). The negotiations are still in progress.

**Mr. T. S. Avinashilingam Chettiar:** When do they expect to finish the negotiations?

**Sir Girja Shankar Bajpai:** It depends on the Italian Government more than on us.

**Mr. T. S. Avinashilingam Chettiar:** In the meantime since many Italians are practising here, will they take action?

**Sir Girja Shankar Bajpai:** I am not aware that many Italians are practising in India.

## DEVELOPMENT OF INDIAN SHIPPING.

179. **\*Mr. T. S. Avinashilingam Chettiar:** Will the Honourable the Commerce Member state:

- (a) whether the proceedings of the Shipping Committee of the Imperial Conference have been received;
- (b) whether the maintenance of adequate Indian shipping was considered in the committee; and
- (c) if so, what were the conclusions with regard to the development of adequate Indian shipping?

**Mr. H. Dow:** (a) Government have not received the proceedings, but they have received a "Summary of Proceedings" of the Imperial Conference which includes a summary of the proceedings of the Committee on Shipping Questions.

(b) and (c). "The Committee on Shipping Questions reviewed the position regarding British shipping in relation to the needs of the several parts of the British Commonwealth of Nations and realised that the maintenance of adequate British shipping was a matter of common concern to the countries of the Commonwealth". The term "British Shipping" here denotes all shipping registered as British wherever the registration be effected, and therefore does not differentiate between shipping registered in India and that registered elsewhere within the British Commonwealth of Nations.

**Mr. B. Das:** Did the representatives of the Government of India put forward the claims of Indian shipping in that conference?

**Mr. H. Dow:** This was not a shipping conference, but was a committee of the Imperial Conference. The Government of India did not put forward any representations.

**Mr. B. Das:** Did the Government of India address any letter to this shipping committee about Indian shipping in any way?

**Mr. H. Dow:** No.

**Mr. T. S. Avinashilingam Chettiar:** In view of the fact that Indian shipping is not on a very high level, may I know why Government did not take any steps to press forward their claims?

**Mr. H. Dow:** Because this particular committee was not concerned with the question merely of Indian shipping: they were an Imperial body dealing with questions which concerned the shipping of the whole empire in relation to other countries of the world.

**Mr. Mannu Subedar:** Have Government received any representation from Indian shipping on this subject?

**Mr. H. Dow:** We have received representations from Indian shipping, yes.

**Seth Govind Das:** The Honourable Member has just said that this committee was dealing with the shipping of the Empire as a whole: is India not included in the Empire?

**Mr. H. Dow:** Yes.

**Seth Govind Das:** Then, what was the reason why no representation was made by the Government so far as Indian shipping is concerned?

**Mr. H. Dow:** Because this shipping committee was not dealing with the affairs of the separate units of the Empire: it was dealing with the conditions of British shipping, including Indian shipping, as a whole in relation to world problems.

**Seth Govind Das:** Are the Government not aware that the present condition of Indian shipping is very bad and that this committee was dealing with the whole question of shipping and was it not their duty to represent the Indian case?

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member has pointed out more than once that it had nothing to do with this committee.

**Mr. K. Santhanam:** May I know if the Government of India were in any way represented in this committee?

**Mr. H. Dow:** This committee was a sub-committee of the Imperial Conference on which India was, as you know, represented.

**Mr. K. Santhanam:** Did the representatives of the Government of India take any part in this sub-committee?

**Mr. H. Dow:** I believe not.

**Mr. B. Das:** Did not the Government of India at that time receive any memorandum from the Indian shipping companies to represent their interests at the Imperial Conference sub-committee?

**Mr. H. Dow:** I shall require notice of that question: I am not sure whether representations were made in connection with this committee or some other committee.

**Mr. B. Das:** Will the Honourable Member take it from me that the Government of India here and the India Office in London did receive the memorandum from the Indian shipping companies to represent their interests?

**Mr. H. Dow:** We have received large numbers of representations from Indian shipping, but not relevant to this particular matter as far as I am aware.

**Mr. N. M. Joshi:** May I ask, in view of the fact that there is a great agitation in Great Britain for reducing the employment of Indian *lascars* on British ships, if the Government of India will give instructions to their representatives on the committee or conference to protect the interests of Indian *lascars*?

**Mr. H. Dow:** I am afraid, Sir, the Honourable Member is muddling this committee with the Imperial Shipping Committee, which is quite a different body.

#### SLUMP IN THE COTTON PRICES.

180. **\*Mr. T. S. Avinashangam Chettiar:** Will the Secretary for Education, Health and Lands state:

- (a) whether they are aware that the price of cotton has gone down very low and that there is a feeling that it may go down much lower?
- (b) whether they have investigated the reasons for this fall in price; if so, what are the reasons; and
- (c) whether they propose to consider the advisability of taking some steps to prevent the fall in price?

**Sir Girja Shankar Bajpai:** (a) Government are aware of the fall in prices.

(b) A bumper American crop, which is estimated to be the largest since 1931-32, an adverse world stock situation, the policy of economic self sufficiency pursued by certain foreign countries and the continuation of the Sino-Japanese conflict appear to be the main causes of the slump.

(c) Representations for an increase in the import duty on foreign cotton have been received and are under examination.

**Mr. T. S. Avinashilingam Chettiar:** Have the Government of India now received a copy of the proceedings of the committee appointed by the Indian National Congress in this matter?

**Sir Girja Shankar Bajpai:** Not from the Congress, but I have seen that report in the press.

**Mr. T. S. Avinashilingam Chettiar:** Have they considered the suggestions made therein?

**Sir Girja Shankar Bajpai:** There is a subsequent question about that: I shall answer that in due course.

**Mr. Bhulabhai J. Desai:** Are the Government aware that the season for marketing cotton in large parts of India will soon be reached and will the Government of India expedite the decision on the question of the import duty?

**Sir Girja Shankar Bajpai:** The Government of India will do what they can to reach as early a decision as possible on the question of an import duty.

**Mr. Bhulabhai J. Desai:** What I wish to emphasise is, will the Government see that any increase in the import duty may be too late if not taken in proper time?

**Sir Girja Shankar Bajpai:** That point will be taken into account.

**Dr. Sir Ziauddin Ahmad:** May I ask whether the Government have examined the export figures to various countries and in what countries there is a special deficiency of exports?

**Sir Girja Shankar Bajpai:** About that also there is a separate question later on.

#### NECESSITY FOR SAFEGUARDING THE INDIAN INTERESTS UNDER THE TRANSPORT CO-ORDINATION BILL OF KENYA.

181. **\*Seth Govind Das:** Will the Secretary for Education, Health and Lands please state:

- (a) whether Government have received a copy of the Transport Co-ordination Bill of Kenya;
- (b) whether Government have examined the provisions of the Bill together with the representations from Kenya stating the Indian view-point;
- (c) whether Government have received the proceedings of the Kenya Council discussing the first reading of the Bill and the deliberations, if any, of the Select Council set up for the purpose;
- (d) whether he will lay on the table a copy of the Bill;

- (e) whether it is a fact that under the rules no Indian would be appointed to the Licensing Board;
- (f) whether it is a fact that the Kenya Government have turned down the request of the Indian community in that colony for the appointment of an Indian Member on the Board;
- (g) whether it is a fact that country craft and motor buses in that colony are mostly owned by Indians and these are sought, under the provisions of the Bill, to be controlled so as to minimise competition with the Railways; and
- (h) whether Government have made any suggestions to alter or modify the provisions of the Bill to safeguard Indian interests; if not, the reasons of Government therefor?

**Sir Girja Shankar Bajpai:** (a) and (d). Yes. A copy of the Bill, as passed, is placed in the Library of the House.

(b) The Bill was introduced in the Kenya Legislative Council during the first week of November. The Government of India did not receive any representation from the local Indian community, except a telegram on the 26th November, stating, *inter alia* that the Bill had passed its second reading and been placed before a Select Committee. It did not explain what precisely the objections of the Indian community to the Bill were. A memorandum containing their objections was promised but has not yet been received. Nevertheless, immediately on receipt of the telegram, the Government of India suggested to the Secretary of State for the Colonies that consideration of the measure be postponed. They also made representations to His Majesty's Government on the merits of the Bill in the light of the observations made by Indian Members of the Legislative Council of Kenya during the discussion in the Legislative Council and their own examination of its provisions. The Bill was passed on the 16th December, 1937.

(c) Government have only recently received advance copies of the *verbatim* reports of the Kenya Legislative Council on the second and third readings of the Bill. The proceedings of the Council during the first reading and the report of the Select Committee are awaited.

(e) The section relating to the establishment of the Transport Licensing Board and its composition does not preclude the appointment of an Indian.

(f) Government have no information to this effect.

(g) One of the objects of the Ordinance is to prevent wasteful competition between motor and other forms of transport with railways. Government understand that Indians in Kenya do in fact have considerable interests in the lorry and inland water transport business.

(h) Yes. In reply to the Government of India's representations His Majesty's Government stated that should specific objections arise to any of the provisions of the Bill when it has been enacted, they will be examined and, if necessary, amendments will be considered. On the basis of this statement, correspondence with the Colonial Office is in progress.

**Seth Govind Das:** Are the Government aware, with reference to clause (e) of this question, that though Indians are not debarred from becoming members of this Board, yet when no provision is made for such appointments of Indians, no Indians are appointed in practice?

**Sir Girja Shankar Bajpai:** That is exactly the point which we are pressing upon His Majesty's Government, namely that Indians should have representation on this Board.

**Seth Govind Das:** Are the Government aware that when this Bill was being enacted the Indians in the Kenya Legislative Council wanted two Members on the Select Committee and their demand was rejected, and, therefore, they did not co-operate with the Select Committee?

**Sir Girja Shankar Bajpai:** That has appeared in the press, yes.

**Seth Govind Das:** Are the Government aware that this attitude of the Government of Kenya is considered as anti-Indian, and this attitude has been persisted after the present Governor of Kenya has been appointed?

**Sir Girja Shankar Bajpai:** I do not know that that arises out of this question.

#### RESEARCH FOR UTILISATION OF COTTON IN OTHER THAN THE TEXTILE INDUSTRY.

182. **\*Mr. Govind V. Deshmukh:** Will the Secretary for Education, Health and Lands please state whether any research work has been made as to the use of cotton in any industry besides textile? If so, what are these?

**Sir Girja Shankar Bajpai:** Detailed information is being collected and will be communicated to the Honourable Member as soon as it is ready.

**Mr. Govind V. Deshmukh:** When will it be ready?

**Sir Girja Shankar Bajpai:** I think that general information will be given by my Honourable friend, Mr. Dow, in answer to question No. 186. Detailed particulars ought to be available in a day or two.

#### PROTECTION OF THE RIGHTS OF INDIANS IN MAURITIUS.

183. **\*Mr. Badri Dutt Pande:** (a) Has the Secretary for Education, Health and Lands seen the statement issued by the Imperial Indian Citizenship Association, Bombay, regarding the genesis of labour trouble in Mauritius (published in the *Hindustan Times* of the 18th January, 1938, page 9):

- (i) that out of the population of four lakhs, the Indians number 265,796;
- (ii) that Indians are debarred from higher posts and no elected Indian is represented in the Legislative Council, while there is only one nominated Indian member at present in the Council;

- (iii) that in the Commission of Enquiry to investigate into the grievances of (1) low wages, and (2) reduction of the weight of the variety of sugar-cane known as "Uba Fleriot" and (3) swindling by intermediates, no Indian representative finds a place;
  - (iv) that there had been many cases of strikes, police firing and victimisation; and
  - (v) that the poor law allowance for Indians is very small?
- (b) What action, if any, is being taken by the Indian Government to protect the rights of its nationals in Mauritius?

**Sir Girja Shankar Bajpai:** (a) Government have seen the statement referred to by the Honourable Member.

(b) As regards matters within the scope of the Commission of Enquiry, the attention of the Honourable Member is invited to my reply to part (b) of Mr. S. Satyamurti's starred question No. 837 on the 28th September, 1937. His Majesty's Government have been addressed with regard to the other points mentioned in the statement.

**Mr. Mohanlal Saksena:** When was this letter addressed?

**Sir Girja Shankar Bajpai:** The letter was sent on receipt of the representation from the Imperial Citizenship Association, about three weeks ago.

**Mr. Badri Dutt Pande:** Have Government pressed the claims of Indians for representation on the Legislative Council?

**Sir Girja Shankar Bajpai:** The representation of Indians on the Legislative Council is not affected either by the riots or by the question of poor law.

INSULT TO SETH GOVIND DAS, M.L.A., BY AN AFRICAN LIFTMAN AT DURBAN.

184. **\*Mr. Badri Dutt Pande:** (a) Is the Secretary for Education, Health and Lands aware that Seth Govind Das who comes from a respectable family and is a front bencher of this Assembly was insulted by an African liftman who refused to take him in a lift at Durban?

(b) Has the Indian Government taken any action on this matter?

**Sir Girja Shankar Bajpai:** (a) and (b). The Honourable Member presumably refers to the incident which happened in the premises of the Standard Bank of South Africa in Pretoria. The matter was immediately taken up by the Agent General in the Union with the Manager of the Bank who has offered a full apology and has taken steps to prevent any similar incidents in future.

**Seth Govind Das:** Are the Government aware that a similar incident took place after that apology was given?

**Sir Girja Shankar Bajpai:** Yes, Sir, with very similar consequences namely, with an apology and a promise to take steps to prevent any similar incidents in future.

**Mr. Badri Dutt Pande:** May I know, Sir, what action have "the Trustees and Guardians of India in England" have taken in this matter?

**Sir Girja Shankar Bajpai:** What action does my friend suggest exactly?

**Mr. Badri Dutt Pande:** They should see that such insults will not be hurled on Indians in future.

**Mr. Manu Subedar:** Does the Honourable Member know that he may have been himself there and the liftman would have insulted him just the same.

**Mr. President** (The Honourable Sir Abdur Rahim): Next question.

#### POSITION RELATING TO FRANCHISE TO BE GIVEN TO INDIANS IN CEYLON.

185. **\*Mr. Badri Dutt Pande:** (a) Will the Secretary for Education, Health and Lands be pleased to state the position in Ceylon regarding the franchise to be given to Indians?

(b) Did the Government of India's Agent in Ceylon meet the Honourable the Education Member at Madras in this connection? If so, with what results?

**Sir Girja Shankar Bajpai:** (a) The Honourable Member presumably refers to the Village Communities (Amendment) Ordinance. The Ordinance, which the Ceylon State Council passed, has been reserved by His Excellency the Governor for the signification of His Majesty's pleasure.

(b) The Agent of the Government of India in Ceylon did meet the Honourable Member for Education in Madras and discussed with him recent developments of interest to the Indian community in Ceylon, including those relating to the Village Communities Ordinance. The Government of India's decision not to allow the recruitment of labour for Ceylon unless the question of the Ordinance was satisfactorily settled was taken long before the interview referred to by the Honourable Member.

#### SLUMP IN THE COTTON PRICES.

†186. **\*Prof. N. G. Ranga:** Will the Secretary for Education, Health and Lands be pleased to state:

- (a) if he is aware of the terrible slump that has set in during the last few months in world markets for Indian cotton;
- (b) what has been the fall in the prices of Indian cotton since this slump has set in;
- (c) what were the causes for this slump;
- (d) what markets had been affected, so far as our cotton exports are concerned;
- (e) what has been the reduction in the total exports of our cotton to the principal importing countries of the world;

---

†Answer to this question laid on the table, the questioner being absent.



(f) whether any action has been taken by Government to arrest the effects of this slump on Indian cotton-growers?

**Sir Girja Shankar Bajpai:** (a), (c) and (f). I would refer the Honourable Member to the reply I have given to question No. 180.

(b) and (e). I lay on the table statements which give the required information.

(d) The fall is common to all markets.

**I.—Statement showing the weekly quotations of Raw Cotton, M. G. F. G. Broach and Index Nos. of wholesale prices of Raw Cotton at Calcutta and Bombay from June, 1937.**

Weekly quotations of raw cotton, M. G. F. G. Broach at Bombay. (Per Candy of 784 lbs).				Index No. of raw cotton prices at Calcutta. (Prices in July 1914 = 100). (Source : Indian Trade Journal).	Index No. of raw cotton prices at Bombay. (Prices in July 1914 = 100). (Source : Bombay Labour Office).
	Rs.	A.	Delivery.		
1937—					
June	4	240 0	July-August 1937		
	11	233 0	"		
	18	227 0	"		
	25	225 0	"		
				101	98
July	2	218 0	"		
	9	215 0	"		
	16	207 0	"		
	23	206 0	"		
	30	193 0	"		
				89	90
August	6	194 0	"		
	13	187 0	"		
	20	183 0	"		
	27	178 0	"		
				83	85
Sept.	3	190 0	April-May 1938		
	10	188 0	"		
	17	183 0	"		
	24	179 0	"		
				71	84
Ostr.	1	168 0	"		
	8	163 0	"		
	15	165 0	"		
	22	164 0	"		
	29	161 0	"		
				71	84
Novr.	5	155 0	"		
	12	161 0	"		
	19	158 0	"		
	26	164 0	"		
				70	79
Deer.	3	163 0	"		
	10	165 0	"		
	17	168 0	"		
	23	172 0	"		
	30	167 0	"		
				74	79

II.—Statement showing prices of Indian and American Cotton at Liverpool with parities (per cent. of Indian on American) from June, 1937.

		Middling American d per lb.	Good Staple Fine Broach d per lb.	Parities (per cent. on American).
1937—				
June	4	7.31	6.23 N	85.2
	11	7.06	6.06 N	85.8
	18	6.92	6.02 N	87.0
	25	6.95	6.05 N	87.1
July	2	6.87	5.93 N	86.3
	9	6.98	6.01 N	86.1
	16	6.85	5.87 N	85.7
	23	6.60	5.69 N	86.2
	30	6.12	5.30 N	86.6
Aug.	6	6.20	5.36 N	86.5
	13	5.93	5.19 N	87.5
	20	5.78	5.08 N	87.9
	27	5.63	4.95 N	87.9
Sept.	3	5.56	4.87 N	87.6
	10	5.46	4.75 N	87.0
	17	5.33	4.53 N	85.0
	24	5.08	4.33 N	85.2
Oct.	1	4.89	4.05 N	82.8
	8	4.75	3.93 N	82.7
	15	4.82	4.04 N	83.8
	22	4.89	4.12 N	84.3
	29	4.83	3.98 N	82.4
Nov.	5	4.55	3.80	83.5
	12	4.63	3.93	84.9
	19	4.55	3.87	85.1
	26	4.64	3.99	86.0
Dec.	3	4.65	3.97	85.4
	10	4.70	4.02	85.5
	17	4.81	4.05	84.2

N = Nominal

III.—Statement showing exports of Cotton.

1st September to 22nd January.

	1937-38.	1936-37.
Calcutta	8,036	10,041
Bombay	2,72,964	7,27,530
Karachi	1,95,054	5,70,506
Madras .	12,790	45,987
Tuticorin	4,368	21,213
	4,93,212	13,75,277

### SLUMP IN THE COTTON PRICES.

†187. \*Prof. N. G. Ranga: Will the Secretary for Education, Health and Lands be pleased to state:

- (a) if he has read either the full report or the press report of the Committee appointed by the Indian National Congress to enquire into the ways and means to fight the slump in cotton prices and to help our cotton-growers;
- (b) if so, if he has considered the suggestions made by the Committee that the Government should grant export of cotton of one inch and less staple; and
- (c) what are the conclusions of Government in regard to those suggestions?

**Sir Girja Shankar Bajpai:** (a). Government have seen the press report.

(b) and (c). If an export subsidy and prohibition of import of cotton of one inch and less staple are the suggestions the Honourable Member is referring to, Government do not consider that they will have the desired result.

### STANDARDISATION OF WEIGHTS AND MEASURES.

†188. \*Prof. N. G. Ranga: Will the Honourable Member for Commerce be pleased to state:

- (a) if he is aware of the fact that there is no uniformity in the weights used in different parts of the country, and as a consequence, much inconvenience is caused to traders and merchants;
- (b) if he is aware that when paying wages to labour, false weights are used by the employers;
- (c) whether any recent enquiry had been made to ascertain the best measures to be adopted to bring about the needful uniformity;
- (d) if it is not a fact that with the existing authorised weights, there is no adequate staff to supervise and bring to book dishonest merchants and employers of labour, and there is not sufficient strictness to prevent the abuse of false weights; and
- (e) whether he will consider the advisability of appointing an Enquiry Committee to recommend measure to secure a country-wide uniformity in weights, and also to secure a strict and reliable enforcement of the standardised weights?

**Mr. H. Dow:** (a) Government are aware that there is a lack of uniformity in the weights and measures in use in different parts of India, and they have no reason to doubt that this is causing inconvenience to traders and merchants.

(b) The Government of India are not prepared to admit the truth of this as a general proposition.

(c) and (d). The appointment of supervisory staff to prevent the use of unauthorised weights and measures in the Provinces is a matter for the Provincial Governments.

---

†Answer to this question laid on the table, the questioner being absent.

(e) Under the new constitution the Government of India have power to legislate only for the establishment of standards of weight, and the question of standardising weights on an all-India basis is at present receiving their attention. They do not, therefore, consider it necessary at present to appoint such an enquiry committee.

#### MANUFACTURE OF ARTIFICIAL SILK IN INDIA.

†189. \*Prof. N. G. Ranga: Will the Honourable Member for Commerce be pleased to state:

- (a) if Government are aware of the great demand for artificial silk, which is largely imported from Japan; and
- (b) if Government are prepared to examine the possibility of manufacturing it in India?

Mr. H. Dew: (a) Yes.

(b) This matter has been engaging the attention of the Indian Central Cotton Committee for some time, and certain preliminary experiments to determine the suitability of various Indian cottons and cotton linters have been carried out by that body. The Committee has recently sanctioned a grant for an experimental plant, intended to test the possibility and cost of producing chemical cotton for an artificial silk industry from Indian cotton linters and short staple cotton.

The Imperial Council of Agricultural Research and also the Industrial Research Bureau are co-operating actively with the Indian Central Cotton Committee in this matter, and the Bureau has already made two *interim* reports to the Committee on the possibilities of the production of artificial silk in India.

#### RECOMMENDATIONS OF THE ABBOTT-WOOD COMMITTEE.

190. \*Seth Govind Das: Will the Secretary for Education, Health and Lands please state:

- (a) whether Government have received the recommendations of the Abbott-Wood Committee;
- (b) whether Government contemplate giving effect to any of the recommendations so made; and
- (c) if so, the specific recommendations that Government have decided to give effect to?

Sir Girja Shankar Bajpai: (a) Yes.

(b) and (c). I would invite the Honourable Member's attention to the reply given by me to Mr. M. Ananthasayanam Ayyangar's starred question No. 68 in this House on the 1st February, 1938.

#### PENSIONERS AND OFFICERS SERVING IN INDIAN STATES.

191. \*Mr. Sham Lal: Will the Honourable the Leader of the House be pleased to state:

- (a) the number of British Government pensioners and Indian officers (Europeans and Indians) serving respectively on the 31st March, 1937 in different Indian States on salaries of more than rupees two hundred per mensem; and

---

† Answer to this question laid on the table, the questioner being absent.

- (b) if the number of such men is fairly large, whether Government propose to take any action in reducing the number?

**The Honourable Sir Nripendra Sircar:** The information is being collected and will be supplied in due course.

---

## UNSTARRED QUESTION AND ANSWER.

### EXPORT QUOTAS OF TEA ALLOTTED TO INDIA.

**24. Mr. Brojendra Narayan Chaudhury:** Will the Commerce Secretary please state :

- (a) the total quantity of export quotas of tea allotted to India under the International Agreement for the years 1936-37 and 1937-38;
- (b) the total quantity of export quotas allotted to the estates in India, which did not produce any tea during the years 1936-37 and 1937-38 and the percentage of export quotas of such non-producing tea estates in relation to the total quantity of export quota allotted to India for the years 1936-37 and 1937-38; and
- (c) the total quantity of export quota allotted to estates, which did not produce tea to the full extent of the quantity of export quota allotted to them but produced only partially during 1936-37 and 1937-38 and the percentage of the quantity of export quota by which they fell short in relation to the total quantity of export quota allotted to India for the years 1936-37 and 1937-38?

**Mr. H. Dow:** (a), (b) and (c). Information on certain points has been called for from the Indian Tea Licensing Committee, and a reply will be laid on the table of the House in due course.

---

## ELECTION OF MEMBERS TO THE PUBLIC ACCOUNTS COMMITTEE.

**Mr. President** (The Honourable Sir Abdur Rahim): Honourable Members will recollect that on the 7th February, 1938, I informed them that the election for the Public Accounts Committee, if necessary, will take place on Thursday, the 17th February, 1938. Subsequently it has been represented to me by the Secretary of the Congress Party that the proposed date will debar the Members of his Party from participating in the election as they will be away from Delhi from the 15th to the 22nd February, on account of the annual session of the Indian National Congress. Having regard to this difficulty I have now to announce that the election for the Committee will take place on Friday, the 25th February, 1938, instead of Thursday, the 17th February, as previously fixed.

## THE INDIAN RAILWAYS (AMENDMENT) BILL.

(INSERTION OF NEW SECTION 42 B.)

**Mr. President** (The Honourable Sir Abdur Rahim): Legislative Business.

**The Honourable Sir Thomas Stewart** (Member for Railways and Communications): Sir, I move:

"That the Bill further to amend the Indian Railways Act, 1890, for a certain purpose (*Insertion of new section 42B*), be taken into consideration."

In Chapter V of the Indian Railways Act as amended by the Adaptation Order of 1937, certain statutory powers are conferred upon the Federal Railway Authority in respect of such matters as relate to the rating of goods, the fixing of terminal charges and such like subjects. There is, however, one important omission. No statutory power has been conferred on the Federal Railway authority to fix maximum and minimum rates and fares. This process, however, which I think it must be admitted is in the public interests, has been carried out by the executive authority of the Central Government ever since railway administration in India was started, and we propose now to give this process statutory recognition. The necessity for doing so arises in this way. By virtue of item 20 in the Federal Legislative List in the Schedule to the Constitution Act, the power to legislate in order to regulate maximum and minimum fares is vested in the Centre. With legislative power goes the executive power necessary in order to put into effect the relevant legislation. It follows, however, that if there is no statutory enactment, there can be no executive powers, and the result of that position is that when the Federal Railway Authority is constituted, it will be unable to carry out functions which the Act contemplates that it will carry out,—in particular section 194 of the Constitution Act contemplates that the Federal Railway Authority among other functions will be concerned with the fixing of maximum and minimum rates and fares. It is for that reason, Sir, that this amendment of the Railways Act has been brought forward. In conclusion, I may say that this amendment like the rest of the Railways Act will cease to have force when a Federal Act has been passed or, if no such Act has been passed, within five years after the institution of Federal Government. Sir, I move.

**Mr. President** (The Honourable Sir Abdur Rahim): Motion moved:

"That the Bill further to amend the Indian Railways Act, 1890, for a certain purpose (*Insertion of new section 42B*), be taken into consideration."

**Mr. President** (The Honourable Sir Abdur Rahim): There are several notices of amendments, of which two are for circulation. The first one is in the names of Mr. Santhanam and Mr. Ananthasayanam Ayyangar. I may point out that it does not mention the date by which the opinions are to be sent.

**Mr. K. Santhanam** (Tanjore *cum* Trichinipoly: Non-Muhammadan Rural): I propose to add "by the 1st of January, 1939". Sir, I beg to move:

"That the Bill further to amend the Indian Railways Act, 1890, for a certain purpose (*Insertion of new section 42B*), be circulated for the purpose of eliciting opinions thereon by 1st January, 1939."

[Mr. K. Santhanam.]

This appears to be a short Bill, but I am afraid like the cobra's sting, it is a poisonous Bill. For the last one year and more, we have been asking for some information regarding the Government's proposals about the Statutory Railway Authority, but every time we have been refused any kind of information. We have been told that no proposals are yet ready for publication about the Statutory Railway Authority. Still, a Bill has been brought before us to confer some authority on the Statutory Railway Authority. Even now the Mover of this motion has not taken the House into confidence as to when they propose to constitute the Statutory Railway Authority and what sort of negotiations or contract will be entered into between the Statutory Railway Authority and the Government of India regarding various matters including the payment of contribution to the general revenues. Secondly, this Bill proposes to confer statutory powers on the Federal Railway Authority to fix maximum and minimum rates. As it is, the Government of India have been exercising this power. So far as the Government of India have been exercising this power, the Statutory Railway Authority inherits it automatically but, to the extent that they have not got this power, I suggest that we should not lightly confer this power, because, reading the Government of India Act, this is one of the few powers left with the Federal Legislature in connection with railways. Whether after giving this power to the Statutory Railway Authority, it will be considered a matter of policy or not is in doubt. In section 183, it is stated:

"If any dispute arises under this sub-section between the Federal Government and the Authority as to whether a question is or is not a question of policy, the decision of the Governor-General in his discretion shall be final."

For instance, if the Statutory Railway Authority contends that their exercise of the power to fix maximum and minimum fares is not a question of policy and is a mere question of administration and, on the other hand the Federal Ministry contends that it is a question of policy, then the dispute will have to go to the Governor General and the Governor General in his discretion will decide whether it is a question of policy or of administration. If he decides it is a question of mere administration, then the Federal Government will have no control over this part of the business. Therefore, I suggest that this Bill means that the only power, the little power, that is left to this Legislature, with reference to the railways under the Government of India Act, is sought to be taken away and the House should not easily allow this to be done. At any rate, the public should have an opportunity to scrutinise this Bill and all its implications and, therefore, this motion for circulation is being moved by me. I hope that all the sections of the House will support this motion and give the commercial organisations, the public, the politicians and everybody concerned an opportunity to examine it, before the little power given under the Government of India Act to the Legislature and executive of the Federal Government is transferred to a new authority, which is still in the womb of the future and the nature of which has not yet been disclosed by the mover or any spokesman of the Government of India. Sir, I move.

**Mr. President** (The Honourable Sir Abdur Rahim): Amendment moved:

"That the Bill further to amend the Indian Railways Act, 1890, for a certain purpose (*Insertion of new section 12B*), be circulated for the purpose of eliciting opinions thereon by 1st January, 1939."

**Mr. Bhulabhai J. Desai** (Bombay Northern Division: Non-Muhamadan Rural): Mr. President, I rise to support the motion for circulation, and I shall briefly enumerate the different provisions of the Act and the stage at which the transitory condition of the Government of India stands today. The point which has got to be borne in mind in order to appreciate the necessity and the value of circulation is what I may call shortly the transitory stage at which the Central Government of India stands today, and it is only when the full implications of it are understood that the thin end of the wedge, whether intended or unintended, which is sought to be put in by means of an apparently innocent looking Bill, for which the Mover today gave no reasons whatever as to its immediate urgency or requirement, will be apparent.

The object of this Bill requires examination. It is stated thus: This Bill is intended to remedy an omission in the Indian Railways Act of 1890. Therefore, this Act worked for 48 years without requiring an amendment of this nature. I think the Mover might easily be laughing, at all events, in his cheek, if he had realised the case he has made or has dared to make before this House, after a period of 48 years. He has not made it part of a regular Bill relating to the Railways which might be examined in all its bearings by the House. The Statement of Objects and Reasons further says:

"This Act contains, at present, no provision that gives Government the power to prescribe maxima and minima rates and fares for railways in India. Government has, however, exercised this power since the beginning of railway operation, over all railways in India, irrespective of whether they are owned or managed by itself or by private companies or by Indian States, local authorities, or Provincial governments. To give this power of the Central Government statutory recognition, until such time as a new Federal Railway Law is passed, or for a period extending for five years after the Federation, an amendment to the Indian Railways Act has been found necessary."

To any one with a modicum of common sense, it must be obvious that the reason given here cannot either bear examination or that there is more than what is contained in the reasons given here. I may claim to say this, that I have rarely approached measures merely as a matter of suspicion because they emanate from the opposite side, but undoubtedly when a measure of this kind is put forward and when even circulation of the matter is so far as I can see not intended to be agreed to, the suspicion even if it did not exist is bound to arise in the minds of Members of this House.

Let me state what is the transitory position in which we stand today. Part VIII of the Government of India Act, 1935, beginning with section 181 and ending with section 199, has not been brought into operation and the House will see this from the Order in Council which was made on the 18th December, 1936:

"Whereas by section three hundred and twenty of the Government of India Act, 1935, (hereafter in this Order referred to as 'the Act'), it is provided that the provisions of that Act other than those of Part II thereof shall, subject to any express provision to the contrary, come into force on a date to be appointed by His Majesty



[Mr. Bhulabhai J. Desai.]

in Council for the commencement of Part III thereof, but His Majesty in Council is empowered to fix an earlier or later date for the coming into operation of any particular provisions of the Act :

And whereas by the Government of India (Commencement and Transitory Provisions) Order, 1936, it was provided that the provisions of Part VIII of that Act,"—*(which is the part which is now material for the purpose of consideration by this House)*—"should come into force on such dates as His Majesty in Council might thereafter appoint . . ."

And, so far as I am aware, no order fixing the date of this Part has been made in terms of that Order in Council. The transitory stage at which, therefore, the Government of India stand today is that Part VIII is not in operation, and therefore the situation is that the Government of India today has the same powers as otherwise existed under the Railways Acts and the powers accompanying them or corollary thereto which have been hitherto exercised by the Government. It has not been stated, even as a reason for this Bill, that any difficulty has arisen because of the power which has hitherto been exercised by the Government of India to fix maxima and minima rates for Railways of all types; I do not wish to go into the detailed description which is given in this Statement of Objects and Reasons for that purpose. It would, therefore, appear that it is an anticipatory preparation for an occasion as to the date of which neither the House nor anybody else nor even the Leader of the House with his astrological knowledge is in a position to pronounce. Therefore, it is the astrologer alone who knows when and under what conditions Part VIII will come into operation. If that is the situation, what is the excuse for occupying the time of this House in trying to rush before it a measure conferring one particular item of power upon a Federal Railway Authority which has yet to come into existence and not merely come into existence as a matter of formation or organization, but come into existence as the result of the first step to be taken, *viz.*, putting into operation Part VIII of the Government of India Act? You will see from the powers and authority of the Federal Railway Authority when Federation comes into existence, which are to be found in section 181, that these are material for the purpose of considering the reason why this House ought not to agree to undertake this measure at this stage:

"(1) The executive authority of the Federation in respect of the regulation and the construction, maintenance and operation of railways shall be exercised by a Federal Railway Authority (hereinafter referred to as 'the Authority').

(2) The said executive authority extends to the carrying on in connection with any Federal railways of such undertakings as, in the opinion of the Authority, it is expedient should be carried on in connection therewith and to the making and carrying into effect of arrangements with other persons for the carrying on by those persons of such undertakings :

Provided that, as respects their powers under this sub-section, the Authority shall be subject to any relevant provisions of any Federal, Provincial or existing Indian law, and to the relevant provisions of the law of any Federated State, but nothing in this sub-section shall be construed as limiting the provisions of Part VI of this Act regulating the relations of the Federation with Provinces and States.

(3) Notwithstanding anything in this section, the Federal Government or its officers shall perform in regard to the construction, equipment, and operation of railways such functions for securing the safety both of members of the public and of persons operating the railways, including the holding of inquiries into the causes of accidents, as in the opinion of the Federal Government should be performed by persons independent of the Authority and of any railway administration.

So much of Part X of this Act as provides that powers in relation to railway services of the Federation shall be exercised by the Authority shall not apply in relation to officers of the Federal Government employed in the performance of any of the functions mentioned in this sub-section."

And you will find, Sir, when you come to the subsequent sections that there is a provision made as to the extent of the control that would be given to the Federal Legislature on the questions of policy relating to railway administration, notwithstanding the fact that executive authority is conferred on the Federal Railway Authority. It has been pointed out—but it requires a little more explicit statement,—it has been pointed out by my Honourable friend, Mr. Santhanam, that the Act itself contemplates that a question may easily arise as to where the proper line is to be drawn between policy and matters of executive authority, and provision, therefore, has been made in the Act that on that the opinion of the Governor General shall be accepted or shall be final. But before we have yet come to the stage where the Act has come into operation, before the Federal Railway Authority is formed, and before a question has arisen whether or not a particular matter falls within this matter of principle or falls within a matter of the executive authority, it is sought practically to be defined by this Act that, in so far as the fixing of maxima and minima rates is concerned, it is not a matter of policy but it is a power to be conferred on the Federal Railway Authority without any question or examination,—whether it is a matter of principle; what, if an issue is joined, will be the decision of the Governor General, and, apart from the question of joining the issue, without finding from all the sections in the country, either trade or the ordinary traveller who would be interested in the decision of matters of this character as being either the customers of the Railways or as providing the capital for which interest is to be paid from the revenues to which it contributes, what they think; and it is somewhat difficult to understand why today in respect of a matter which has gone on perfectly smoothly for forty-eight years and until the Federal Railway Authority is brought into existence, this Bill is sought to be forced on this House.

It has also to be considered, when you come to think of it, that there is another matter. It was contemplated at the time of the Parliamentary Committee Report that there would have to be an Indian Act dealing with the whole field of railway authority, based undoubtedly on the powers which would be laid down in the Constitution Act. The few sections of the Constitution Act undoubtedly lay down the principles, and whereas a complete or comprehensive measure is necessary for that purpose, if at all a section of that kind were needed, it would have been perfectly easy for the Parliamentary Act to have included in it this particular section, in which circumstances it is true that this House would have been perfectly helpless, but the very fact that it was omitted from the Parliamentary Act is sufficient evidence or testimony to the point we are now making, viz., that it is a matter entirely within the sphere or intended to be left to the sphere of this Legislature after considering all the points of view and all the provisions that such an Act provides. I would like to call attention to paragraph 393 of the First Volume of the Joint Committee's Report in which this matter has been dealt with:

"The powers, which the Governor General will possess of taking action in virtue of his special responsibilities (including, of course, that relating to any matter which affects the Reserved Departments) must extend to the giving of directions to the Railway Authority. . . . We have considered the question whether the statutory basis for the new Railway Authority should be provided by the Constitution Act or

[Mr. Bhulabhai J. Desai.]

by Indian legislation. There would be obvious advantages in having in being at the earliest possible date a Statutory Railway Authority conforming as closely as possible, both in composition and powers, with the body which will function after the establishment of the Federation, and we see no objection to the necessary steps being taken to this end in India. But even so we are clearly of opinion that the Constitution Act must lay down the governing principles upon which this important piece of administrative machinery should be based, and consequently that the provisions of the first (and any subsequent) Indian enactment on this matter should conform with those principles."

In other words, if it had been regarded as a matter of principle, it would have found a place in the Parliamentary Act. But if it is left to the legislative powers of the Federal Legislature, then it is rather premature to say how a particular power or authority will fit in with the rest of the scheme which would have to be included or embodied in an Act to be brought before the Federal House for the purpose. I, therefore, suggest that as the Indian Railways Act has worked without any difficulty for over half a century, no immediate occasion has arisen for its amendment. On the other hand, the manner in which this is sought to be brought before this House clearly shows that it is intended to be disjointed from the whole scheme of the Indian Act to be put and embodied and brought before the Federal Legislature, and its anticipation is not only fraught with suspicion but fraught with great danger. I, therefore, support the motion for circulation.

**Mr. M. S. Aney** (Berar: Non-Muhammadan): Sir, I would have very much liked my friends on the Congress Benches to have opposed this motion rather than move an amendment for circulation. However, as the motion is before the House, I rise to support that motion. The thing is this. Here we have got a Bill put before us for consideration to the effect that certain powers should be delegated by this House to the Federal Railway Authority. The Federal Railway Authority, as a matter of fact, as contemplated by the Government of India Act, has not come into existence, although the Adaptation Order has no doubt introduced certain provisions by which the present Government for certain purposes is allowed to function as a Federal Railway Authority. But the Federal Railway Authority which the Government of India Act really contemplates and for which provision is made in Part VIII has not come into existence in reality. In fact, as has already been pointed out by the Honourable the Leader of the Opposition, Part VIII of the Government of India Act which deals with the constitution, functions and powers of the Federal Railway Authority has not yet come into operation and it is left to His Majesty's Government to fix some date on which it may come into operation later on. Now, that being the case, it becomes somewhat difficult to understand why is it that the Government of India should think it necessary to come before this House with a piece of legislation asking for certain powers to fix the maxima and minima of rates to be given to that body.

One of the most objectionable features of the Federal scheme, which is condemned throughout this country by almost all sections of political parties, which count for anything in the public life of this country, is the creation of a separate Federal Railway Authority which will be more or less practically independent of control of this House. Up to this time there was no occasion for this House, although it has tried in many other

ways, to express its opinion on that question. Government has not yet come before this House to secure the approbation of this House for a principle like the one which is embodied in the Government of India Act on that point. Up to this time all this has been done by the Parliament, and if we have to submit to anything it is not because we like it but because we are helpless in the matter. It is because we find ourselves in this position that we are complaining so far as this Federal Railway Authority is concerned. Certain changes are made by the Adaptation Order, which is not an Act of this House but which is also made by the Parliament itself. So, technically speaking, if the Federal Railway Authority has technically come into existence today, it is not because this House wanted it or this House has created it, but it has come into existence in spite of this House. But if this Bill is accepted by us today, then, in my opinion, we give our assent in a direct manner to a body like that coming into existence. If we do so, we shall be in a way committing ourselves to the position of the Federal Railway Authority as contemplated by the Government of India Act.

Now, the Federal Railway Authority is a part of the Federal scheme itself, a scheme to which we are opposed tooth and nail. We do not want that Federation to come and all the paraphernalia which that Federation contemplates. One of the things that are contemplated is this Federal Railway Authority and, therefore, as a matter of principle, I would ask the Honourable Members of this House not to accept the principle of this Bill at all.

Then, it has been very rightly pointed out that the Indian Railways Act had been in existence for so many years and the occasion for the fixing of the maxima and minima rates must have arisen more than once during all these years, and that power has been exercised by the Government of India without any difficulty or doubt having been ever raised or any difficulty having been really created in the way of their exercising that particular right. So, if this power of fixing the maxima and minima rates not only for the State Railways but also for the Company Railways could have been exercised by the Government of India during all these years without any difficulty, where is the need for the Government of India to come hurriedly before this House and ask it to sanction a measure of this kind which is to invest them with that power? All that is stated is that the power is there and it is being exercised but the Government of India is anxious to have the statutory recognition of that power. If they could do these things without statutory recognition for all these years, I am sure they can continue to do so for some time more also till the Federal Legislature comes into existence.

Secondly, I take exception to this measure for this reason also that the Government of India contemplates not only the constitution of a Federal Railway Authority but an authority armed with all the powers and for which the Government of India ought to come before this House with a proper measure. What that Federal Railway Authority will be is a matter which we are entitled to know and the sort of thing they want can be understood only when they come out with a full and comprehensive measure giving all the powers which that authority is intended to have. When that whole picture will be present before this House, it will be proper for us to say whether the particular power which is now claimed should be given to that body or should be retained by this House. When this House is asked to part with certain powers, which it has technically

[Mr. M. S. Aney.]

got, because the very fact of coming before this House with a measure of this kind shows that the real power of fixing the maxima and minima rates is in the hands of this Legislature and that this Legislature is now asked to part with that power and delegate it to the Federal Railway Authority, it ought to look at the matter with great care and caution. So, the power which at least in theory is possessed by this House is to be delegated. Now, before we delegate any of our powers to anybody, we want to know who is it that is going to have that power? What is the nature of that particular body which wants to be possessed of this power? In order to have a complete idea of that statutory body called the Federal Railway Authority, it is necessary that the Government of India should come out with a comprehensive measure showing its composition and its various powers and functions, and, in that case, it shall be proper for us to know whether and how far the powers of this House should be parted with and delegated to that particular body or not. But to come before the House with a measure asking for one little power is in my opinion really intended not so much to get that power at all, but to commit this House to the position of having accepted the necessity of having a Statutory Railway Authority as contemplated by the Government of India Act.

I, therefore, think that this matter requires to be seriously considered and this House also should have the benefit of outside public opinion before it can make up its mind finally on this subject. In order to get time to consider the implication of a measure like that with all its pros and cons and in order that we should be in a position to understand what cultured public opinion thinks of a Federal Authority invested with such powers that we want this Bill to be circulated. I believe there will be no harm in allowing a measure like that to go before the public for their opinion. Therefore, for these reasons, I am in favour of the motion for circulation, although I would have liked to oppose the Bill and kill it this very moment now and here. But in the absence of any motion like that, as the second best thing, I wish to support the motion for circulation which has been moved by my Honourable friend, Mr. Santhanam.

**Sir Muhammad Yamin Khan** (Agra Division: Muhammadan Rural):

Sir, we met in London in 1933 to discuss the question of the establishment of a Federal Railway Authority, and then we expected that the Bill would be brought before the Assembly sometime in 1934 at the latest. We have been waiting up to now these four years to see if a Bill will be presented before the Assembly establishing a Federal Railway Authority. Year after year, Session after Session, we thought that the Government would place the Bill before the Assembly to constitute a Federal Railway Authority. Unfortunately, we had differences with the European section of the Members of the Committee who happened to be there. Though we Indians were all unanimous on our side, we were opposed by the European element in that Committee. Owing to that difference of opinion, we could not get this Federal Railway Authority Bill presented to this Assembly. We were often told in the discussions in London that it might not be possible to have this scheme put before this House and that it might have to go before Parliament if we were not unanimous. But, we the representatives of India, all Hindu and Muslim Members of the Legislature who were Members of that Committee were unanimous on

that point. Now, he find that after a lapse of a long time this Bill has come before us. One principle was accepted there and that was the unanimous wish of all the Members of all Parties of which the Legislative Assembly was composed at that time, namely, that there should be Railway Authority. This was the unanimous wish and we were all unanimous on that point.

**Some Honourable Members:** Not at all. We do not want this Federal Railway Authority.

**Sir Muhammad Yamin Khan:** All the Members in the then Assembly were agreed. I meant them when I referred to 'we'. Sir, having agreed to that principle, it is not right for a new Assembly to go back and say that whatever the previous Assembly has done was wrong and we are not bound. Of course, the present Assembly is not bound to accept what the previous Assembly did. But Honourable Members who were Members of the then Assembly and who still continue to be Members of the present Assembly and who endorsed their signatures to that principle cannot go behind this. I at least, as one of the signatories, quite agree that the Statutory Railway Authority is beneficial for the purpose of India's progress. It is certainly not very pleasant to me or to many Honourable Members on this side of the House that we should part with our powers which we have got as legislators. Certainly the delegation of the powers of the Assembly to the Federal Railway Authority may not be pleasant at all to any of us. I can quite understand that. But the principle is that you have to run the railways on business lines. You have to leave the Railways to be managed by men who know business lines properly and who can be trusted to run the railways on sound financial and business lines. Having accepted the principle that a small body of businessmen should be put in charge of Railways, it does not matter even if we circulate the Bill.

My Honourable friend, Mr. Aney, said that we could not accept even the principle, and he was of opinion that if we agreed to the motion for circulation, it would amount indirectly to our accepting the Federation Scheme, because the Federal Railway Authority is based on one scheme which puts up the Federation. That may be an objectionable point of view. But leaving aside that point of view, I think the Bill is so simple that it does not need any circulation. If the views of the public are required on the question whether Federation is wanted or not, those views are already known to us. Those views have already been given out by the Congress, by the different Associations and by so many other bodies. They all unanimously say they do not accept the Federation as embodied in the Government of India Act at all. So to get the same views again by circulating this Bill, is unnecessary. But if the House thinks that this Bill should be circulated to get only that opinion, I for one will have no objection to it.

**The Honourable Sir Thomas Stewart:** Sir, I must confess that this debate has developed along somewhat different lines from what I had anticipated. I believed that the issue that I was presenting to the House was a fairly simple one. I had come forward with no such Machiavellian designs as the Honourable the Leader of the Opposition would lead the House to think. To me it appeared that there was no new principle involved in this Bill at all. There was to be no fresh recognition of the Federal Railway Authority because the Indian Railways Act already confers a very large number of powers on that body. Nor did I think that

[Sir Thomas Stewart.]

there was any new principle involved in the process of fixing the maximum and minimum rates. Nor did I attempt to demonstrate that in the present circumstances there was an inherent defect in the Indian Railways

12 Noon. Act. I said quite frankly that we were legislating for a future contingency, though I am not in a position to say when that contingency is likely to arise. But, as I say, the debate has developed along different lines, and I do not propose to follow the previous speakers in their defence or attack on the constitution of the Federal Railway Authority. But I do realise, Sir, that there is a strength of feeling in the House to which I am willing to defer, and I am prepared to accept the motion for circulation.

**Mr. M. A. Jinnah** (Bombay City: Muhammadan Urban): Sir, I should like to hear a little more from Government as to why this Bill is introduced and its real need. I am not in favour of a motion for circulation but on the contrary am entirely opposed to the Bill; and therefore, unless Government really wish to place their case fully before us, I shall be obliged to oppose both the motion for consideration of the Bill as well as the motion for circulation. I am really surprised that Government should take the matter so lightly, and I also regret that the Congress Party should have moved only for circulation.

Sir, there is a definite principle involved in this matter. My Honourable friend, Sir Yamin Khan, said that this House has accepted the principle of a Statutory Railway Authority. (*Voices of, "Never."*) What has this House accepted? The last expression of opinion that was given by this House was that the entire Federal scheme is not acceptable to the House; and now this House cannot say that the Bill before us whose main purpose is to give statutory recognition to the Federal Railway Authority should be circulated for public opinion. What is there to get public opinion about? Here is a Bill which seeks to give power to the Federal Railway Authority to fix maximum and minimum rates. I do not see what useful purpose will be served by having this Bill circulated for opinion. It is quite obvious that in the ordinary normal course the Railway Authority have and should have the power to fix the rates. We are not opposed to that; and to that purpose whose opinion do you want? But the question is, are we going to be a party, directly or indirectly, to the enactment of this part VIII in the Government of India Act? I refuse to be a party to it and so long as we can help in this House we should not accept that position. Government have forced this whole Federal scheme upon us; we are opposed to it and it will be most inconsistent for us to quietly allow Government bit by bit and step by step to bring into force, directly or indirectly, this scheme to which we are so deadly opposed. Therefore, I cannot be a party to it on principle, so far as I am concerned; and although I have not had an opportunity of consulting the members of my Party, as I was away from Delhi for the last few days, I hope they will agree with me. So far as we are concerned, we are opposed to this Bill and we will, therefore, oppose also the motion for circulation.

**Mr. M. Asaf Ali** (Delhi: General): Sir, I welcome the expression of opinion which has proceeded from the Leader of the Independent Party

and also the expression of opinion from the Leader of the Congress Nationalist Party. I think now I should explain the position of my Party. Unfortunately, it is not always possible for us to ascertain the views of different Parties beforehand. I may say that if other parties are left out we are certainly in a minority although we may be the largest single group in the House. If only the Independent Party had met and come to this decision and if only the Congress Nationalist Party had met and come to this decision, we would have been the first to oppose not merely the consideration of this Bill but every stage of it; and we would be prepared to do so now if we are assured by the other Parties that they are behind us or with us. That is the position. We accept neither the principle of this Bill nor its provisions. We simply wanted a dilatory motion because we were not quite certain where the House stood. That is the only reason and that has been our difficulty all along. We would have taken up as strong an attitude as is possible against this Bill from the very start, but time and again our difficulty has been. . . .

**Mr. M. A. Jinnah:** Sir, I may point out to the Honourable Member that the less he talks about it the better, because there is no co-operation and cohesion among the various Parties, and it is not possible. If the Congress Party will in future observe a little more of that I think we might agree beforehand.

**Mr. M. Asaf Ali:** I welcome this expression of opinion from the Leader of the Independent Party, and I can assure him that so far as we are concerned we are prepared to lend every possible co-operation to any other Party.

**Mr. M. A. Jinnah:** Do not say it, but do it.

**Mr. M. Asaf Ali:** We have been doing it all along. The only difficulty is that the Independent Party do not often meet. However, Sir, that is not the point. I am only trying to stress the fact that we are definitely opposed to the whole of this Bill,—to the principle as well as the contents of this Bill. And I am absolutely certain that the Mover of the motion from my Party will be only too ready to ask the leave of the House to withdraw the motion straightaway and allow us to kill the Bill outright.

**Mr. N. M. Joshi (Nominated Non-Official):** Sir, the Bill which we are discussing this morning is of serious importance from the constitutional point of view. My Honourable friend, Sir Yamin Khan, said that those who met at London had agreed to the establishment of some organisation for controlling the Indian railways. So far he is right. Those of us who had met in London and considered the question of the constitution of the Statutory Railway Authority had agreed that there should be some organisation for the control of the Indian railways. But most of us at that time thought, and even think now, that any organisation that is to be established for controlling the Indian railways should be established by legislation in India. Sir, we wanted the Railway Authority to be established by legislation passed by the Indian Legislature and not by Parliament. Unfortunately the British Parliament in its wisdom has incorporated certain sections in the Act dealing with the Federal Railway Authority which cannot be amended by this Legislature. It has incorporated in the Government of India Act certain other sections which



[Mr. N. M. Joshi.]

it can amend only with the previous sanction of the Governor General. The British Parliament has shown want of confidence in the Indian Legislature in this matter. I would, therefore, like that the Indian Legislature should not approve of any legislation which will give recognition to the Statutory Railway Authority established by the British Parliament.

Moreover, Sir, coming to the Bill itself, if the object of the Government of India is to take power to themselves to fix maximum and minimum rates, that is not what the Bill has done. In the Statement of Objects and Reasons it is stated that they want to give statutory recognition to the power which the Government of India is now exercising for fixing maximum and minimum rates, but the Bill does not give the power to the Government of India, it gives the power to the Statutory Railway Authority. When the Federation comes into existence, I hope it will not, but if it comes into existence it is not the Federal Government of India which will have the power of fixing maximum and minimum rates: that power will be taken away from the Federal Government and given to the Federal Railway Authority. If, Sir, the Government of India wanted the Central Government to possess the power, they should have introduced a section here that the Federal Government of India shall possess the power and not the Federal Railway Authority. The counterpart of the present Government of India is not the Federal Railway Authority, but the Federal Government of India, and if we pass this measure the Federal Government of India will lose its power to control the maximum and minimum rates.

The Honourable Sir Thomas Stewart stated that this legislation is necessary on account of the fact that the fixing of maximum and minimum rates is a Federal subject. Simply because a subject is given in the Federal List it does not mean that the Federal Legislature will have full control over that subject: Ecclesiastical matters, Army, External Affairs are all in the Federal List, but that does not mean that the Federal Legislature is going to get control over these subjects. The subject of fixing maximum and minimum rates on railways may be a Federal subject, but the Federal Legislature may not have power—I am not suggesting whether it will or will not have—of fixing rates. But if we once give this power to the Federal Railway Authority, it is quite possible that the Federal Railway Authority may say that the Federal Legislature does not possess the power now to take away those powers from them because it is not a matter of policy, and that the Federal Legislature and the Federal Government have only control over the policy of the Indian Federal Railway Authority. If that Authority take the view that the fixing of maximum and minimum rates is not a question of policy, and if the Governor General agrees with that view, neither the Federal Legislature nor the Federal Government will possess any power to control the maximum and minimum rates. I hope, Sir, that this Legislature will not pass this Bill. I am in favour of the suggestion put forward by the Honourable Mr. Jinnah that we should oppose the motion for the consideration of this Bill.

**Mr. B. Das** (Orissa Division: Non-Muhammadan): In opposing the motion before the House . . . .

**The Honourable Sir Nripendra Sircar** (Law Member): Which one are you opposing?

**Mr. B. Das:** The one which has been moved by the Honourable Member for Communications.

**Mr. President** (The Honourable Sir Abdur Rahim): You should speak on the amendment that has been moved.

**Mr. B. Das:** In opposing the motion for consideration I regret that the Honourable the Member for Communications has not been kept booked by his department . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The amendment before the House is the amendment for circulation.

**Mr. M. Ananthasayanam Ayyangar** (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): Cannot a Member speak both on the Bill and on the amendment?

**Mr. President** (The Honourable Sir Abdur Rahim): First the debate will be on circulation and then the debate will go on to the other amendments. You had better speak on the motion of Mr. Santhanam.

**Mr. M. Ananthasayanam Ayyangar:** So far as we are concerned certainly we are opposed to the principle of the Bill and the motion for its consideration, but after hearing a number of friends speak, it is not possible to say whether they are supporting one side or the other, and as Members, contrary to their speeches, get into a different lobby, it is not possible to determine even today what the support is so far as any particular motion is concerned.

**Mr. M. A. Jinnah:** I have made it clear that I am opposed to the motion for circulation.

**Mr. M. Ananthasayanam Ayyangar:** We have heard speeches and speeches; at the start it appeared that we were receiving support, but at the end it was a different matter. May I speak on the Bill or on the amendment?

**Mr. President** (The Honourable Sir Abdur Rahim): Mr. Santhanam's amendment is the motion before the House.

**Mr. M. Ananthasayanam Ayyangar:** I am a party to it. Under the Government of India Act, 1935, the Central Legislature has the power to fix rates and regulate them. That matter is a very important one for the future of India and its trade. The Central Legislature cannot abrogate all these powers by signing it away to some other authority, the Federal Railway Authority. I most certainly think that this Bill is *ultra vires* in this sense. Under section 192 it is obligatory for the Federal Legislature to set out the principles on which the rates may be fixed. Even if a Committee be appointed or the Federal Railway Authority clothed

[Mr. M. Ananthasayanam Ayyangar.]

with powers to fix the actual rates to be adopted, the principles on which those rates will have to be fixed will have to be laid down by the Federal Legislature. I would request a perusal of section 192:

"A Bill or amendment making provision for regulating the rates or fares to be charged on any Railway shall not be introduced or moved in either Chamber of the Federal Legislature except on the recommendation of the Governor General."

I believe the intention in making a separate provision under section 192 is that the principles regulating the fares and rates have to be generally indicated by an Act of the Central Legislature, though the principles may be worked out in practice and schedules prepared by another authority. The Central Legislature cannot give a *carte blanche* to any other authority. Mr. Srinivasan in his book "Railway Freight Rates" says on 117 page in para. 20:

"The Tribunal should be directed by Act of Parliament so to fix in the first instance the standard rates as to provide that each of the Railway Companies or groups of Railway Companies shall with good management be enabled by charging such rates to earn sufficient revenue to pay all their costs, charges and expenses and to receive a fair rate of profit. The Act should indicate what in present circumstances is to be deemed to be a fair rate of profit."

The Federal Legislature should be clothed with the power to say: this is a fair rate of profit, and nothing more than that ought to be taken by so fixing rates and fares. Recently, unfortunately for the industrial development of the country, a new principle of administration has been introduced in this country, that is the principle that the railways should be worked on business principles which means that profit is the only concern. I say that it must be subject to the other principle, that it must cater to the improvement of trade and industry in this country. Even if in some cases the railways do not actually give any profit that they might be expected to give if it is purely done on business principles, I would say that the dominant and chief purpose for which the railways should be run and should continue to be run is that the trade and industry of this country ought to be pulled up so that we may become one of the most important trading nations of the world. Unfortunately, that consideration has receded into the background after the enunciation of this principle that the railways should be run as a purely business concern. To avoid all this and lest more emphasis should be laid on the profit basis than upon . . . . .

**Mr. President** (The Honourable Sir Abdur Rahim): The Honourable Member is really going beyond the motion: he must confine himself to the amendment.

**Mr. M. Ananthasayanam Ayyangar:** I would like that all the trades and interests should be given an opportunity to express their opinion as to whether it is desirable that the authority vested in the Federal Legislature to fix these rates or the principles on which these rates should be fixed, ought to be signed away to the Railway Authority. It is for that reason that it is necessary that the trades and interests all over the country should be consulted. That is an essential argument to support the motion for circulation. I was referring to a similar provision in the same book where the Minister for Transport appoints a panel of tradesmen and even of workers in the railways from time to time regarding

these rates and fares. I say that the Federal Railway Authority is not competent to go into this question. The question might arise whether the Federal Railway Authority, which is clothed with such large powers of working the railway administration, should also be worried with the business of fixing rates and fares. There may be a separate rates and fares committee as in England; for that purpose it is necessary that the Bill should be circulated so that the views of various organisations may be obtained. I support the motion for circulation.

**Honourable Members:** The question may now be put.

♦ **Mr. President** (The Honourable Sir Abdur Rahim): The question is:

"That the question be now put."

The motion was adopted.

**Mr. President** (The Honourable Sir Abdur Rahim): The question is:

"That the Bill further to amend the Indian Railways Act, 1890, for a certain purpose (*Insertion of new section 12B*), be circulated for the purpose of eliciting opinions thereon by 1st January, 1939."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock, on Thursday.. the 10th February, 1938.