

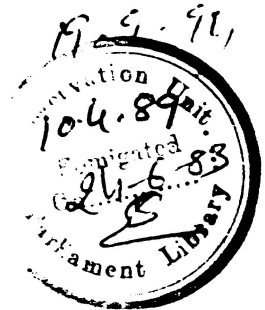
12th September, 1933

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

Volume VI, 1933

(5th September to 14th September, 1933)

SIXTH SESSION
OF THE
FOURTH LEGISLATIVE ASSEMBLY,
1933



NEW DELHI
GOVERNMENT OF INDIA PRESS
1934

Legislative Assembly.

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LEGISLATIVE ASSEMBLY.

Tuesday, 12th September, 1933.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

GRADES OF OFFICERS IN THE MADRAS CUSTOMS PREVENTIVE STAFF.

792. *Mr. K. P. Thampan : Will Government be pleased to state :

- (a) if it is a fact that in the Madras Customs Preventive Staff there are two grades of officers with different scales of salary ;
- (b) if they are of the same qualifications and perform the same nature of work ;
- (c) if this system obtains in Madras alone and that in Bombay, Calcutta, Karachi, Rangoon and other places there is only one grade ;
- (d) if the answer to part (c) be in the affirmative, what is the reason for continuing this distinction in Madras ;
- (e) if they are prepared to consider the desirability of abolishing the two grades in Madras and introduce an uniform grade for all ports in India ?

The Honourable Sir George Schuster : (a) Yes.

(b) No.

(c) No. There are two classes of Preventive Officers at Karachi, Bombay and Burma Outports.

(d) Does not arise.

(e) No.

Mr. K. P. Thampan : Do I understand that there are Assistant Preventive Officers not only in Madras, but also in other major ports like Calcutta and Bombay ?

The Honourable Sir George Schuster : Yes, Sir. If the Honourable Member had followed my answer to part (c), he would find that I said " there are two classes of Preventive Officers at Karachi, Bombay and Burma Outports."

NEW OVERTIME RULES FOR THE ASSISTANT PREVENTIVE OFFICERS OF THE MADRAS CUSTOMS OFFICE.

793. *Mr. K. P. Thampan : Will Government be pleased to state :

- (a) whether they have received a memorial from the Assistant Preventive Officers of the Madras Customs Office regarding the new overtime rules ;

(1333)

- (b) whether the new rules were introduced as the outcome of some anonymous petitions ; if so, why ;
- (c) if it is a fact that after the introduction of the new rules the overtime earnings of an Assistant Preventive Officer have been considerably reduced and whether they are aware that there is considerable discontent among them ;
- (d) whether they are prepared to undertake an enquiry and redress the grievances of the Assistant Preventive Officers ?

The Honourable Sir George Schuster : (a) Yes.

(b) No.

(c) The new rules aim at a more equitable distribution of overtime earnings. The ratio of overtime earnings to salary is even now greater for an Assistant Preventive Officer than for a Preventive Officer. The Government of India are not aware of any discontent.

(d) The question has already been considered and Government do not consider that any change is necessary.

Mr. K. P. Thampan : Considering the lower scale of salary of these Assistant Preventive Officers, may I know if the rules could not be revised more favourably to them ?

The Honourable Sir George Schuster : As my answer implies, we have considered the matter very carefully and we consider that the present conditions are quite fair.

Mr. K. P. Thampan : Is it a fact that in other ports, such as Calcutta and Bombay, also, the overtime rules are more or less on the same lines that are recently introduced in Madras ?

The Honourable Sir George Schuster : I must ask for notice. I must enquire into the question whether the overtime rules are exactly the same in all ports.

Mr. K. P. Thampan : Will the Honourable Member please enquire and communicate to me ?

The Honourable Sir George Schuster : Yes.

PROPOSED REVISION OF THE TERMS OF THE OTTAWA AGREEMENT.

794. ***Mr. K. P. Thampan :** Will Government be pleased to state :

- (a) whether their attention has been drawn to a Reuter's message, dated London, July 20, regarding the decision to hold a series of meetings between the British and Dominion Government delegates with a view to revise the terms of the Ottawa Agreements ;
- (b) whether Government have deputed any one to represent them at these meetings ;
- (c) in what important commodities, judged from the experience of the last six months, are the Agreements not working favourably to Indian interests ?

The Honourable Sir Joseph Bhoré : (a) Yes.

(b) and (c). The Honourable Member is referred to the reply given on the 1st September, 1933, to starred question No. 371 on the same subject. .

Mr. K. P. Thampan : I did not hear the Honourable Member well. May I know whether any definite decisions were arrived at at that Conference ?

The Honourable Sir Joseph Bhoré : The general gist of my reply on that occasion was that we had no information of what took place.

Mr. K. P. Thampan : Were the Government of India represented at that Conference ?

The Honourable Sir Joseph Bhoré : To the best of my recollection, no, Sir. We have no information, as far as I remember, about this matter, nor have we, I believe, any information as to what was actually discussed at that Conference.

Mr. K. P. Thampan : May I know, whether judging from the experience of the last so many months, the Ottawa Trade Agreement is working entirely to the benefit of Great Britain and that the exports from India have not appreciably increased ?

The Honourable Sir Joseph Bhoré : A few days ago, in reply to a question, I laid statistical information that was available on the table of the House and I would suggest to my Honourable friend that he should consult the information that I then laid before the House. He will, I think, find that it does not really bear out his suggestion.

Mr. K. P. Thampan : What does the Honourable Member himself think about the working of the Ottawa Agreement ?

The Honourable Sir Joseph Bhoré : I prefer for the present to withhold my opinion on that point.

Dr. Ziauddin Ahmad : Will the Honourable Member give the Assembly an opportunity to discuss the results of the working of the Ottawa Agreement as soon as the 12 months are over ?

The Honourable Sir Joseph Bhoré : As Honourable Members in the Assembly are aware, we are pledged to setting up a representative committee of this Assembly to examine from time to time the results of the working of that Agreement. Either in the next Session or in the early part of the Budget Session, I propose to move for the setting up of such a Committee. When it is constituted, all the facts available will be placed before it.

Mr. F. E. James : May I take it that if the Government are convinced that as regards any particular article, the preference given in the United Kingdom is not adequate, in view of all the circumstances, to confer any benefit on the Indian producer, then the Government will represent to His Majesty's Government the possibility of increasing the preference before the Committee is set up by the Assembly ?

The Honourable Sir Joseph Bhoré : I have always refused, in fact I refused yesterday to reply to hypothetical questions put to me, but I can assure the House that if at any time information comes to our hand which makes it advisable for us to seek the alteration of

the agreement to the advantage of this country, we shall not hesitate to try and do so.

Mr. F. E. James : May I know whether the Government feel bound to the present preferences until the Committee of the House which is envisaged has reported ?

The Honourable Sir Joseph Bhoré : I would like to make it perfectly clear to the House that if, at any time, we consider that we can better the Agreement that we came to with the United Kingdom from our point of view, and if it could reasonably be done, we shall not hesitate to try and do so.

Mr. B. Das : Were the Government approached by any section of the so-called Indian producers to make representation to the United Kingdom to alter the present Agreement ?

The Honourable Sir Joseph Bhoré : I must ask for notice, because I think we have received a number of representations in connection with the Agreement.

Mr. Gaya Prasad Singh : In any further preferential treatment that may be given to the products of the United Kingdom, will the interests of the consumers of India be carefully watched ?

The Honourable Sir Joseph Bhoré : I think we always bear all interests in mind.

Dr. Ziauddin Ahmad : I understand from the reply of the Honourable Member that the Government of India have no information so far about the message sent by Reuter. In case this message comes out to be true, and since the Assembly will no longer be sitting, may I request the Honourable Member to convey to His Majesty's Government the strong desire and feeling of this Assembly that in future the representatives of India should be sent from India and should not be represented by persons already in England ?

The Honourable Sir Joseph Bhoré : I am not in a position to commit myself in any way.

Dr. Ziauddin Ahmad : Very often India is represented by men who have not got personal knowledge of India on the present day problems. It is our wish that, if India is to be represented at all, she must be represented by persons who have got knowledge of the present day problems, and not by persons who have never visited India or who left India more than six months ago.

The Honourable Sir Joseph Bhoré : My Honourable friend may rest assured that the representatives of India will always be chosen from amongst those who have up-to-date and complete knowledge of the problems in India.

CASE OF ONE MR. BHARTHI, *ex*-GUARD, EAST INDIAN RAILWAY.

795. ***Pandit Satyendra Nath Sen :** (a) Is it a fact that Mr. Bharthi, *ex*-Guard, East Indian Railway, preferred an appeal to the Agent, East Indian Railway, Calcutta, through the Divisional Superintendent which was withheld by the latter under paragraph 15 (iv) of rules for discharge and dismissal of State Railway non-gazetted servants ?

(b) Is it a fact that the Divisional Superintendent in his letter to Mr. Bharthi said that the order of discharge was passed not by him, but by the Superintendent Transportation and that the investigation ordered by his predecessor would take place ?

(c) Will Government be pleased to state what the order of his predecessor actually was and who investigated the case and in whose presence, and what the report was ?

(d) Is it a fact that rules 6 and 14 for discharge and dismissal of State Railway non-gazetted Government Servants, framed by the Railway Board, have been violated in this case ? If so, why ?

(e) Is it a fact that Mr. Bharthi preferred an appeal to the Government of India, which was sent to the Divisional Superintendent for disposal, and on which the Divisional Superintendent wrote to Mr. Bharthi as follows :

“ Your appeal to His Excellency the Viceroy has been sent to me for disposal, as no appeal lies to any one above me, I have nothing to add to what I have said ” ?

(f) Is it a fact that Mr. Bharthi submitted to the Divisional Superintendent a copy of the written statement of his witness regarding his insult ?

(g) Will Government be pleased to state whether Mr. Bharthi, under Government of India Circular No. 3267-A., dated the 8th July, 1916, and repeated in 1929 and 1930 is entitled to represent his case to the Government of India ?

(h) Will Government be pleased to state if the appeal of Mr. Bharthi was forwarded to the Agent, East Indian Railway, by the Secretary, Indian Soldiers' Board (*vide* his No. 57/Emp. 5100, Government of India, dated the 11th March, 1933, New Delhi) for reinstatement ? If so, what action was taken by the Agent ?

Mr. P. R. Rau : Government have no information but are enquiring into the matter, and, if they find that the procedure adopted was contrary to the existing rules, they will consider what action is necessary to set the matter right.

Mr. Lalchand Navalrai : May I know if these Divisional Officers, against whose decision an appeal is preferred, withhold the appeal, what is the remedy to the applicant ?

Mr. P. R. Rau : A Divisional Officer can withhold an appeal only for definite reasons and he has to communicate those reasons to the petitioner.

Mr. Lalchand Navalrai : Supposing in fact he has done it very wrongly, what is the remedy left ?

Mr. P. R. Rau : The rules definitely lay down that for certain reasons appeals may be withheld and, if the Divisional Officer withholds appeals contrary to those rules, the matter will be looked into.

Mr. Lalchand Navalrai : But my point is that if the Divisional Officer decides an appeal whether rightly or wrongly and withholds it, and the applicant is not satisfied, what is the reasonable course left to him, or is he doomed ?

Mr. P. R. Rau : There must be a limit to appeals, Sir.

Mr. Lalchand Navalrai : I am asking about cases in which a wrong has been done. I would ask the Honourable Member to consider the rules on that point and, if there is any necessity for changing the rules, they may be changed for the purpose of doing justice.

Mr. P. R. Rau : The rules provide for certain appeals and Government consider that they have in the rules allowed for all reasonable chances of appeal to an aggrieved employee.

Mr. Lalchand Navalrai : My Honourable friend is only repeating. I am asking whether the Honourable Member is prepared to go into this question and give a chance to these unfortunate people who are not able to reach the Agent.

Mr. P. R. Rau : I am afraid the Honourable Member is repeating the same question over and over again. I cannot say what exactly he is after. If he has any suggestions to make, I shall be quite prepared to consider them.

Mr. Lalchand Navalrai : My suggestion is that where certain appeals are wrongly withheld, some opportunity should be allowed to these people to reach the Agent and represent the case.

Mr. P. R. Rau : If appeals are wrongly withheld, certainly the Agent will look into the matter.

Mr. M. Maswood Ahmad : Have Government mentioned in the rules the reasons for which appeals may be withheld ?

Mr. P. R. Rau : I think so, Sir.

Pandit Satyendra Nath Sen : Did the Honourable Member suggest that the right procedure was adopted in the present case ?

Mr. P. R. Rau : I said that Government are making inquiries into the matter and, if they find that the procedure adopted was contrary to the existing rules, they will consider what action is necessary.

Mr. M. Maswood Ahmad : Can an employee send an advance copy of the appeal to the Agent ?

Mr. P. R. Rau : There is nothing to prevent him from doing so.

Mr. Lalchand Navalrai : In case the appeal is wrongly withheld, what is the course left to the applicant to reach the Agent ? Has he got to go again through the Divisional Officer or can he send his appeal direct to the Agent against the wrongful withholding ?

Mr. P. R. Rau : As a matter of fact, I believe employees very often send their appeals direct in a large number of cases.

Mr. M. Maswood Ahmad : Can an employee appeal to the Agent against an order withholding the application ?

Mr. P. R. Rau : If the application has been wrongly withheld, I suppose they are at liberty to do so.

DISCHARGE ORDERS PASSED IN THE DINAPORE DIVISION, EAST INDIAN RAILWAY.

796. ***Pandit Satyendra Nath Sen :** In how many cases have orders of discharge been passed in the Dinapore Division of the East Indian

Railway since 1931 ? How many of those have been reversed after re-consideration ?

Mr. P. R. Rau : Government have no information.

RETRENCHMENT IN THE SURVEY OF INDIA DEPARTMENT.

797. ***Seth Haji Abdoola Haroon :** (a) Will Government be pleased to state whether retrenchment was made in class II Service of the Survey of India Department in 1931 ?

(b) If so, how many officers and other clerks were picked out of the total workers ?

(c) Is it a fact that since the beginning, the above department has remained the monopoly of Anglo-Indians ?

(d) Will Government be pleased to state how many officers are there in the above department who are still in service although they are over 50 years in age ?

(e) Is it a fact that fresh hands are to be recruited in the near future to fill up vacancies in the class II Service ?

(f) If so, are Government prepared to appoint the retrenched young officers, who have spent the best part of their lives in the department, for the above stated vacancies ?

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

The other parts of the question presumably refer only to Class II of the Survey of India. On this assumption, the replies are :

(b) 22 officers and 1 probationer. There are no clerks.

(c) I would refer the Honourable Member to the reply given to part (c) of starred question No. 349 in this House on the 1st September, 1933.

(d) Four.

(e) Yes.

(f) The Honourable Member is referred to the reply given to part (c) of starred question No. 346 in this House on the 1st September, 1933.

RETRENCHMENT IN THE EAST INDIAN RAILWAY PRESS.

798. ***Rai Bahadur Lala Brij Kishore :** (a) Is it a fact that at the time of retrenchment in 1931 in the East Indian Railway Press, Calcutta, 16 Compositors, 26 Binders and 9 Distributors and a number of other operatives were reduced, but none of the supervising staff, such as Overseers, Foremen, Section Holders, Computers, Clerks, Time-keepers, etc., were touched ?

(b) Is it a fact that in 1926 there were only two Jamadars to supervise the work of the Binders, whereas at present there are five Supervisors, viz., one Foreman, two Assistant Foremen, one Jamadar and one Assistant Jamadar, in the binding section who perform identically the same duties ?

(c) Is it a fact that in 1926 there were only two Section-Holders to supervise the work of the Compositors while now, after the reduction of

operatives (in 1926, 101 Compositors, at present 75), there are one Foreman and four Section Holders for the same purpose ?

(d) Is it a fact that the payment of wages on the monthly salary basis has been introduced in the East Indian Railway and Eastern Bengal Railway Presses, Calcutta, in place of the piece system ?

(e) Have Government considered whether in the case of the payment of wages on a salary basis the services of the Computers are not necessary for calculating the wages of the Operatives ?

(f) Is it a fact that the Superintendent of the Eastern Bengal Railway Press informed the Railway Board that after the introduction of the monthly salary system the posts of the Computers were superfluous and that he did actually abolish the same posts of the Computers in his Press ?

(g) Is it a fact that in 1926 there were only two Computers in the East Indian Railway Press, whereas at present the number of the said Computers is 16, and that the strength of the operatives has considerably decreased due to the retrenchment in 1931 and to the introduction of the monthly salary system ?

(h) Is it a fact that the following is a correct statement of the comparative strength of the supervising staff in the East Indian Railway Press, Calcutta and Howrah, in 1926 and at present ?

	1926.	At present.
Overseer	1	2
Foremen	1	4
Assistant Foremen	Nil	2
Office Superintendent	Nil	1
Press Mechanic	Nil	1
Section-holders	2	4
Machine Jamadars	1	3
Computers (including Asstt. Computers) ..	2	16
Time-keeper (including Asstt. Time-keepers)	3	4
Clerks	36	44
Checkers	Nil	2

(i) If answers to parts (a) to (h) be in the affirmative, will Government be pleased to state whether they have satisfied themselves that the existing number of posts in the supervising staff and among the clerks in the East Indian Railway Press, Calcutta and Howrah, do not contain many surplus hands ? If not, why not ?

Mr. P. E. Rau : With your permission, Sir, I propose to reply to questions Nos. 798 to 801 and 803 to 813 together. Government have not full information on the various points raised but are obtaining whatever information is readily available and I will lay a reply on the table of the House, in due course.

RETRENCHMENT IN THE EAST INDIAN RAILWAY PRESS.

†799. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that the Railway Board have recently issued further instructions for retrenchment of the staff in the East Indian Railway Press ?

(b) Is it a fact that the Agent, East Indian Railway, has informed the Secretary of the Press Employees Association, Calcutta, that further reductions of staff in the said Press will be undertaken shortly, and has invited the opinion of the Association in the matter ?

(c) Is it a fact that the Secretary, Press Employees' Association, in his letter dated the 9th August, 1932, protested against this distinction and pointed out that the Operatives, specially the Binders, were now fully employed ?

(d) Is it a fact that Mr. A. F. Slater, who was appointed a Special Officer at an enormous cost to enquire into the scheme of reorganising the Printing Offices of the Railways, recommended in 1930 that the minimum strength of the Compositors and Binders in East Indian Railway Press should be 79 and 175, respectively ?

(e) Is it a fact that the present strength of the Compositors and the Binders in the said Press is 75 and 154, respectively ?

(f) Is it a fact that owing to pressure of work in the binding department :

(i) men belonging to the departments of Machine, Inkman, Packer-man, etc., are now daily being engaged to do the work of the Binders ;

(ii) extra temporary Compositors are still working ;

(iii) overtime is also going on ?

(g) Will Government be pleased to lay on the table a copy of the letter referred to above written by the Secretary, Press Employees' Association ?

(h) If answers to parts (b) to (g) be in the affirmative, will Government be pleased to state :

(i) the reasons of the Agent's proposal for reduction of Operatives ;

(ii) whether Government propose to reduce the existing number of the supervising staff such as Overseer, Foreman, Computer, Checker, Clerks, etc., at the time of the proposed retrenchment ? If not, why not ?

PURCHASE OF TIME-RECORDER MACHINES BY THE EAST INDIAN RAILWAY PRESS.

†800. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that in the East Indian Railway Press four time-recorder machines, viz., Glendhill Brook time clocks, etc., were purchased ?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state :

(i) the cost and the date of the purchase of each machine ;

†For answer to this question, see answer to question No. 798.

- (ii) what their uses are ; and
- (iii) whether these machines make the services of the Time-Keepers redundant ? If so, whether the number of the Time-Keepers has been reduced accordingly ?

PURCHASE OF CERTAIN MACHINES BY THE EAST INDIAN RAILWAY PRESS.

†801. ***Rai Bahadur Lala Brij Kishore :** (a) Will Government be pleased to lay on the table a statement showing the number of (i) Rotary, (ii) Envelope, (iii) Folding, (iv) Cutting, (v) Mono., (vi) Lino and other machines bought by the East Indian Railway Press from 1914 to 1931, year by year ?

(b) Is it a fact that a number of machines, viz., one Envelope machine and one Rotary, have never been used since their purchase ?

(c) Will Government be pleased to state the amount, if any, realised as discount on the purchase of each machine ?

(d) Will Government be pleased to lay on the table a statement showing, year by year, from 1914 to 1931 :

- (i) the number of machines and presses sold by the East Indian Railway Press, Calcutta and Howrah ;
- (ii) the amount for which each was sold, together with the original price for which each was bought, as well as the dates of purchase and sale of each ?

SALE OF WASTE PAPER IN THE EAST INDIAN RAILWAY PRESS.

802. ***Rai Bahadur Lala Brij Kishore :** (a) Will Government be pleased to state whether the East Indian Railway Press, Calcutta and Howrah, call for tenders for the sale of old papers ?

(b) If the answer to part (a) be in the negative, will Government be pleased to state the reason for not doing so ?

(c) Will Government be pleased to lay on the table a statement showing, year by year, from 1915 to 1931, the amount realised from the sale of waste paper ?

Mr. P. R. Rau : I would refer the Honourable Member to the reply given by Sir Alan Parsons to question No. 381 by Mr. S. C. Mitra on the 11th February, 1931.

PURCHASE OF CERTAIN MACHINES BY THE EAST INDIAN RAILWAY PRESS.

†803. ***Rai Bahadur Lala Brij Kishore :** (a) Is it a fact that two Lino. and seven Mono. machines and six Mono.-casting machines were purchased in the East Indian Railway Press immediately after the East Indian Railway became a State Railway ?

(b) Is it a fact that the Mono. machines cause to the Government a loss of 40 per cent. while the lino. machines cause a 20 per cent. loss ?

(c) Is it a fact that matters composed in Mono. or Lino. machines have to be melted away after printing, and that such melting can go on for five times only ?

†For answer to this question, see answer to question No. 798.

(d) Is it a fact that hand-composed matter lasts 90 lakhs of impressions ?

(e) Is it a fact that Hand Compositors are entitled to remuneration after the first reading, second reading, third reading, revised corrections and rule dress-up are finished ?

(f) Will Government be pleased to lay on the table a comparative statement showing the cost of composing by hand 44 × 72 Em non-pareil type 15 column statement, and that of having it in a Mono-machine, noting specifically the charge of :

- (i) Operator ;
- (ii) Caster ;
- (iii) Arranging ;
- (iv) First reading corrections ;
- (v) Second reading corrections ;
- (vi) Third reading corrections ;
- (vii) Revise corrections ;
- (viii) Rule Dress up ;
- (ix) Gas ;
- (x) Electricity ;
- (xi) Water ; and
- (xii) Metal ?

(g) If the replies to parts (a), (b), (c), (d) and (e) be in the affirmative, will Government be pleased to state why they are replacing hand composition by Lino. and Mono. machines ?

MEMORIAL FROM CERTAIN EMPLOYEES OF THE EAST INDIAN AND THE EASTERN BENGAL RAILWAY PRESSES.

†804. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that the Honourable Member in charge of Railways and Commerce received a memorial, dated the 12th January, 1931, from the Compositors, Distributors and Binders of the East Indian Railway Press, Calcutta and Howrah, and the Eastern Bengal Railway Press, Calcutta ?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to lay on the table a copy of the said memorial ?

(c) Will the Honourable Member in charge of Railways and Commerce, be pleased to state :

- (i) -what action has been taken or is intended to be taken in the matter ;
- (ii) if no action has been taken or is intended to be taken, the reasons therefor ?

RETRENCHMENTS AND REDUCTIONS IN THE OPERATIVE STAFF OF THE EAST INDIAN RAILWAY PRESS.

†805. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that following the amalgamation of the Eastern Bengal Railway Press with

†For answer to this question, see answer to question No. 798.

the East Indian Railway Press, retrenchments and reductions have been made in the operative staff of the East Indian Railway Press ?

(b) Are Government aware that the operative staff of the East Indian Railway Press held a meeting of the Press-workers affected by the said amalgamation on July 29, 1933, at Calcutta, and passed resolutions expressing their grave apprehensions and that a copy of those resolutions was duly forwarded to the Honourable Member in charge, Department of Railways and Commerce, by the Secretary, Press Employees' Association, Calcutta, on the 31st July, 1933 ?

(c) Is it a fact that the Agent, East Indian Railway, addressed a letter to the Secretary, Press Employees' Association, Calcutta, dated the 23rd June, 1933, and enclosed a list showing by categories the "surplus" staff in the Printing Department ?

(d) Is it a fact that the post of the Assistant Time-keeper and ten posts of clerks were shown as "surplus" in the said list ?

(e) Is it a fact that the said posts of the Assistant Time-keeper and the clerks have subsequently been kept intact while eleven operatives have been marked out "surplus" instead ?

(f) What action do they propose to take for remedying such irregularities ?

STAFF OF THE EASTERN BENGAL RAILWAY PRESS.

†806. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that the staff of the Eastern Bengal Railway Press were guided by the General Manual of the Eastern Bengal Railway ?

(b) Is it a fact that the staff of the Eastern Bengal Railway Press were divided into two heads, viz.,

(i) ministerial and (ii) industrial, under the said Manual ?

(c) Is it a fact that in a notice over the signature of Mr. I. T. St. Pringle for the Agent, Eastern Bengal Railway, in July, 1933, to the Eastern Bengal Railway Press staff taken over by the East Indian Railway, the term "workshop staff of the Eastern Bengal Railway Press" occurs ?

(d) If the answers to parts (a) to (c) be in the affirmative, will Government be pleased to state the reason and the authority under which the term "workshop staff of the Eastern Bengal Railway Press" was employed in the said notice by Mr. Pringle ?

DISCONTINUANCE OF THE PRIVILEGE OF ALLOWING FREE PASSES TO THE COMPOSITORS OF THE EAST INDIAN RAILWAY PRESS.

†807. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that according to the Railway Board's orders in 1905, the Compositors of the East Indian Railway Press, Calcutta, drawing a pay of Rs. 20 and over were treated as Clerks and were allowed free Intermediate Class passes ?

(b) Is it a fact that the privilege thus enjoyed by the Compositors has been discontinued since 1921 ?

†For answer to this question, see answer to question No. 798.

(c) If the answers to parts (a) and (b) be in the affirmative, will Government be pleased to state the reasons for the discontinuance of a long-enjoyed privilege ?

RESOLUTIONS PASSED BY THE EMPLOYEES OF THE EAST INDIAN AND EASTERN BENGAL RAILWAY PRESSES.

†808. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that the Secretary, Press Employees' Association, Calcutta, sent a letter, dated the 31st July, 1933, to the Honourable Member in charge, Department of Railways and Commerce, forwarding therewith a copy of the resolutions passed at a mass meeting of the employees of the East Indian and Eastern Bengal Railway Presses held at Sealdah, Calcutta, on July 29, last ?

(b) If the reply to part (a) above be in the affirmative, will the Honourable Member be pleased :

(i) to lay on the table a copy of those resolutions ;

(ii) to state what action, if any, has been taken in the matter ?

PAY OF COMPOSITORS OF THE EASTERN BENGAL RAILWAY PRESS.

†809. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that the Compositors of the Eastern Bengal Railway Press, Calcutta, are salaried hands ?

(b) Is it a fact that the pay of the Compositors was revised in 1930 ?

(c) Is it a fact that at the time of the revision neither seniority in service nor any other definite principles were followed in fixing the pay of the said Compositors ?

(d) Is it a fact that the staff list of the Printing Department, East Indian and Eastern Bengal Railways (1933) shows that :

(i) Compositors appointed in 1926 are drawing the same pay with their co-workers appointed in 1927 ; and

(ii) different salaries are being allowed to Compositors appointed on the same date and year ?

(e) If the answers to parts (a) to (d) be in the affirmative :

(i) will Government be pleased to state the reasons for these discrepancies ;

(ii) will Government be pleased to state if any action has been taken or is intended to be taken to remove the said discrepancies at an early date ; and

(iii) if not, why not ?

RETRENCHMENT AMONG THE INDUSTRIAL STAFF OF THE EASTERN BENGAL RAILWAY PRESS.

†810. *Rai Bahadur Lala Brij Kishore : (a) Are Government aware :

(i) that heavy retrenchment has recently been made among the industrial staff of the Eastern Bengal Railway Press ; and

†For answer to this question, see answer to question No. 798.

(ii) that several permanent hands have been retrenched as "surplus" ?

(b) Will Government be pleased to state the principles, if any, followed in relegating a hand to the "surplus" list ?

(c) Is it a fact that amongst the Compositors appointed on the same date and in the same year some have been put down as "surplus", while several others have not been so regarded ?

(d) Are Government aware that an attempt is being made by the authorities of the Eastern Bengal Railway for providing for the "surplus" ministerial hands by reshuffling and distributing them over the sections, while no such attempt for providing for the "surplus" industrial hands is even being thought of ?

(e) If the answers to parts (a) to (d) be in the affirmative, will Government be pleased to state :

(i) the reasons that led to the state of affairs as revealed in part (c), and

(ii) what action they intend to take for providing for the "surplus" industrial hands ?

DEMOTION AND REDUCTION IN SALARIES OF THE INDUSTRIAL STAFF IN THE EASTERN BENGAL RAILWAY PRESS.

†811. *Rai Bahadur Lala Brij Kishore : (a) Are Government aware that demotion and reduction in salaries of the industrial hands have recently been effected in the Eastern Bengal Railway Press ?

(b) Will Government be pleased to state the principles followed in carrying out these demotions and reductions in salaries ?

(c) Is it a fact that these demotions and reductions have been made in case of the industrial hands only, the supervising and clerical staff being left entirely untouched ?

(d) If the replies to parts (a) to (c) be in the affirmative, will Government be pleased to state :

(i) the reasons for the action mentioned in part (c), and

(ii) what action they intend to take to remedy the grievances of the industrial hands in this respect ?

POSITION OF COMPOSITORS AND BINDERS AFTER THE AMALGAMATION OF THE EAST INDIAN AND EASTERN BENGAL RAILWAY PRESSES.

†812. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that an amalgamation of the East Indian and Eastern Bengal Railway Presses has recently been effected ?

(b) Is it a fact that the industrial hands of the Eastern Bengal Railway Press will be paid from the Eastern Bengal Railway fund, the said amalgamation notwithstanding ?

(c) Is it a fact that the Compositors and the Binders of the Eastern Bengal Railway Press at present transferred to East Indian Railway are all in superior service equally with other industrial staff, viz., Supervisors and Readers ?

†For answer to this question, see answer to question No. 798.

(d) If the answers to parts (a) to (c) be in the affirmative, will Government be pleased to state the rules and regulations under which the said Compositors and Binders of the Eastern Bengal Railway Press, now transferred to East Indian Railway Press, will in future be guided in their service ?

ACTION TAKEN ON THE MEMORIALS OF THE EMPLOYEES OF THE EAST INDIAN AND EASTERN BENGAL RAILWAY PRESSES.

†813. ***Rai Bahadur Lala Brij Kishore** : (a) Is it a fact that the employees of the East Indian Railway and the Eastern Bengal Railway Presses, Calcutta, submitted on 12th January, 1931, and 17th January, 1931, respectively, two memorials to the Honourable Sir George Rainy, Member-in-Charge, Railway and Commerce Departments ?

(b) Is it a fact that on the 21st March, 1931, Mr. A. A. L. Parsons stated that the said memorials of the workers of the two Presses above-named were under consideration ?

(c) Is it a fact that in answer to unstarred question No. 108, dated the 28th September, 1931, with reference to the said memorial, Mr. A. A. L. Parsons stated that the Agent of the Eastern Bengal Railway had been asked to expedite the matter ?

(d) If the replies to parts (a) to (c) be in the affirmative, will Government be pleased to state, whether the views of the Agent, Eastern Bengal Railway, on the said memorials had been forwarded ?

(e) If so, what action has been taken in the matter of those memorials ?

(f) If no action has yet been taken, when do Government intend doing so ?

ENFORCEMENT OF THE PUNJAB PRIMARY EDUCATION ACT IN DELHI.

814. ***Mr. M. Maswood Ahmad** : (a) Is it a fact that the Punjab Primary Education Act, 1919, has recently been enforced in Delhi, and if so, will Government please state : (i) whether a " School Attendance Committee " has been formed, (ii) who are the members of the said committee, (iii) if this committee has received representations for exemption of boys receiving religious education in Islami Maktabas, (iv) what has been decided by the committee in such cases, (v) if no action has yet been taken, whether they propose to see that such boys who are receiving religious education in such Schools and Maktabas which are not recognised by Government, are also exempted under section 10 (c) of the said Act ?

(b) Is it a fact that the Delhi Municipality has issued a number of notices to the managers of Maktabas or parents of boys who are receiving religious education in Islamia Maktabas to the effect that they have committed an offence under section 14 of the compulsory Act, and, if so, will Government be pleased to lay on the table a statement showing (i) the number of boys affected, (ii) the number of notices issued, (iii) number of cases challaned, and (iv) the amount of fine realized ?

(c) Are Government aware that the issue of notices to those who are receiving religious education is considered by the general public as an

†For answer to this question, see answer to question No. 79*

interference in the performance of religious duty, and are Government prepared to consider the advisability of issuing necessary instructions in the matter ?

Mr. G. S. Bajpai : Enquiries have been made and the result will be communicated to the House in due course.

Mr. M. Maswood Ahmad : Has the Honourable Member seen section 14 of the Punjab Primary Education Act which runs as follows :

“ Any person other than the parent of such boy who shall, during the prescribed hours of attendance at school, utilise in connection with any employment, whether for remuneration or not, the services of any boy whose parent is required under section 9 to cause his attendance at school, shall, on conviction, be punishable with a fine not exceeding twenty-five rupees.”

Mr. G. S. Bajpai : I have a general familiarity with the Act from which my Honourable friend has read out, but he would agree that, until I am in possession of the facts, the question whether it is applicable cannot be determined.

Mr. M. Maswood Ahmad : Do Government realise that teaching a boy in a *musjid* and giving him religious instruction is not employment ?

Mr. G. S. Bajpai : That is a question asking for an expression of opinion. The question here relates to certain facts and, as I have said, when I do get the facts, I shall look into the matter.

Mr. M. Maswood Ahmad : I want to know the views of Government, whether they take it as employment or not.

Mr. G. S. Bajpai : I am not here to express an opinion, but only to deal with questions of fact.

Dr. Ziauddin Ahmad : When this report comes in, will Government consider the fact that a boy who is receiving religious instruction along with some secular instruction may be supposed to be attending a school ?

Mr. G. S. Bajpai : My Honourable friend's suggestion will certainly be considered when the facts are available to Government.

AMOUNT RECEIVED FROM THE ENHANCED PETROL TAX FOR ROAD PURPOSES.

815. ***Mr. B. V. Jadhav :** Will Government be pleased to state :

- (a) the total amount received each year from the enhanced petrol tax for road purposes since its levy ;
- (b) the amount collected each year from (i) the Bombay Presidency, and (ii) the City of Bombay ?

The Honourable Sir Frank Noyce :

			Rs.
(a) March, 1929	..	..	3,95,082
1929-30	..	..	98,42,861
1930-31	..	..	98,03,207
1931-32	..	..	102,00,768
1932-33 (Provisional)	..	..	102,86,267
			<hr/> 405,28,125 <hr/>

(b) I presume the Honourable Member wishes to know the amounts allotted to the Bombay Presidency from the Road Development Fund on the basis of consumption. They are as follows :

	Rs.
	lakhs.
1929-30 (including March, 1929)	16.85
1930-31	15.70
1931-32	16.83
First half of 1932-33 (up to the 30th September, 1933) Provisional	8.25
	<hr/>
	57.63
	<hr/>

No separate figures for the City of Bombay are available.

Mr. B. V. Jadhav : May I point out, Sir, that my question was about the total amount collected each year in Bombay ?

The Honourable Sir Frank Noyce : I should like to explain to the Honourable Member that, if I gave him those figures, as I am quite prepared to do, they would convey nothing. The petrol duty of two annas—2½ annas now—from which the Road Development Fund is financed is made up of customs duty and excise, and it is only natural that by far the greater part of the excise duty should be collected in Burma. The actual collection of petrol duty in Bombay as customs duty is comparatively small and, it is for that reason, that I was under the impression that the Honourable Member wanted to know the amount allotted to Bombay. If he desires to know the amount actually collected in the Bombay Presidency, I shall be happy to furnish the figures.

GOLD AND SILVER HELD IN THE CURRENCY DEPARTMENT.

816. ***Mr. B. V. Jadhav :** Will Government be pleased to state :

- (a) (i) the maximum and (ii) minimum amounts of (A) gold and (B) silver held in the Currency Department during each of the years 1930, 1931, 1932, 1933 (upto 30th June) ;
- (b) the average rate at which each was (i) sold or (ii) bought during each of the above years ?

The Honourable Sir George Schuster : (a) I would invite the attention of the Honourable Member to the weekly Abstracts of the Accounts of the Currency Department and to the memoranda published by the Controller of the Currency regarding the balance of the Gold Standard Reserve.

(b) No gold was sold and no silver was bought during this period. Gold was acquired at the statutory rate of Rs. 21-3-10 per tola in accordance with section 4 of the Currency Act, 1927. As regards sales of silver the information could not be compiled without involving an amount of labour which Government do not consider justified, but I may state for the information of the Honourable Member that the amount of silver sold from the commencement of operations to the 31st March, 1933,

was 151 million fine ounces and the net price realised was approximately 18½ crores of rupees which represents an average price of about 22d. per fine ounce or slightly over 20½d. per standard ounce.

Dr. Ziauddin Ahmad : May I ask whether the Honourable gentleman has taken into consideration the amount of silver sold in the month of July ?

The Honourable Sir George Schnster : The figures that I have given are up to the 31st March, 1933 : therefore, the month of July, 1933, does not come in.

RELEASE OF MEMBERS OF THE WORKING COMMITTEE OF THE JAMIAT-UL-ULEMA-I-HIND.

817. ***Mr. M. Maswood Ahmad :** (a) Are Government aware of the resolution passed by the working committee of the Jamiat-ul-Ulema-i-Hind at their Moradabad meeting on the 19th, 20th and 21st August, 1933, suspending the programme of civil disobedience announced by the President of the Jamiat in exercise of his special powers ?

(b) Will Government be pleased to state how many members of the Working Committee and workers of the Jamiat are still in jail ?

(c) Will Government be pleased to state how many members of the Working Committee and workers of the Jamiat are under notices of expulsion ?

(d) Do Government propose to release the members of the Working Committee and the workers of the Jamiat and to withdraw the notices of expulsion ?

The Honourable Sir Harry Haig : I am making enquiries and will lay a statement on the table in due course.

SENIORITY OF EAST INDIAN RAILWAY AND OLD OUDH AND ROHILKUND RAILWAY STAFF.

818. ***Rai Bahadur Lala Brij Kishore :** (a) Will Government be pleased to state in how many senior posts on the Oudh and Rohilkund section of the East Indian Railway subordinates are working at present and *vice versa* ?

(b) Is it a fact that common seniority of East Indian and Oudh and Rohilkund is maintained for Traffic staff and not for Engineering ? If so, why ?

(c) Is it a fact that there are different rules governing the seniority of different departments of the Railway ? If so, why ?

(d) Is it a fact that the privilege of daily allowances which used to be enjoyed by the Overseers on the Oudh and Rohilkund section has now been withdrawn, although their duty hours are the same and the Chief Engineer and the Chief Auditor, Oudh and Rohilkund Railway, never disallowed this privilege ?

(e) How many posts have been fixed in the cadre of revised grades I and II for the Oudh and Rohilkund Railway Inspectors of Works and how have they been filled up ?

(f) Is it a fact that revised scales sanctioned by the Agent in 1928 were given to some staff from the date of introduction while in some cases years after ? If so, who is responsible for the delay and why has not all the staff been treated alike ?

(g) Is it a fact that in Lucknow Division menials are allowed seven days and subordinates between six and ten days allowance, although they might have earned more in the discharge of their duties, and that there is no such limit for officials ? If so, why ?

(h) Is it a fact that there is a periodical eye-sight examination after every three years for subordinates ? If so, why is there no such examination for officers ?

Mr. P. B. Rau : I have called for certain information and will lay a reply on the table of the House in due course.

CUT IN THE CONSOLIDATED ALLOWANCE OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

819. ***Mr. E. H. M. Bower :** (a) Will Government be pleased to state whether it is a fact that in accordance with the orders of the Railway Board continued in letter No. 7196-F., dated 24th July, 1931, the consolidated allowance paid to the Travelling Ticket Examiners on the East Indian Railway has been subjected to a 12½ per cent. cut ?

(b) Is it a fact that the cut has been imposed from August, 1931 ?

(c) Is it a fact that five months later, i.e., from December, 1931, a ten per cent. cut on pay was introduced in addition ?

(d) Is it a fact that the cut on pay has been reduced to five per cent. whereas the 12½ per cent. on consolidated allowance still continues, although two years have passed ?

Mr. P. B. Rau : The reply to all these questions is in the affirmative.

CUT IN THE CONSOLIDATED ALLOWANCE OF TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

820. ***Mr. E. H. M. Bower :** (a) Will Government be pleased to state whether it is a fact that in their letter No. 7196-F., dated the 24th July, 1931, the Railway Board have classed consolidated allowance as compensatory allowance and subjected it to a 12½ per cent. cut ?

(b) Is it a fact that daily allowance has not been subjected to any cut ?

(c) Is it a fact that daily allowance was converted into consolidated allowance in June, 1931 ?

(d) Is it a fact that the 10 per cent. cut on mileage allowance which has been treated like pay has been subsequently reduced to five per cent., the cut to last only till the 31st March, 1934 ?

(e) Is it a fact that when the ten per cent. cut on pay was introduced, all other emergency cuts and methods of economy were cancelled ?

(f) If the reply to part (e) be in the affirmative why was this cut on consolidated allowance not cancelled and why has it been imposed

for a longer period than that on pay and at a much higher rate and why has consolidated allowance been treated differently from daily allowance and mileage allowance ?

Mr. P. B. Rau : The reply to parts (a), (b) and (d) is in the affirmative, and to parts (c) and (e) in the negative. In regard to (f), I may say that the question whether consolidated travelling allowance should be dealt with on the same principles as daily allowance is under consideration.

CONSOLIDATED ALLOWANCES PAID ON THE EAST INDIAN RAILWAY.

821. *Mr. E. H. M. Bower : Will Government be pleased to state :

- (a) whether substantial allowance is paid to the staff for the running duty they perform ;
- (b) whether it is compensatory allowance, and if so, whether its payment is governed by Supplementary Rule 6 ; if not, why not ; and also why is it treated differently from the daily allowance ; and whether both are defined as travelling allowance under Supplementary Rule 21 ;
- (c) what are the various rates of consolidated allowances paid on the East Indian Railway and to what classes of employees, and what is the total number of each class ;
- (d) whether it is a fact that the President, National Union of Railwaymen of India and Burma, Bombay, personally represented this case to the Chief Commissioner of Railways during the last half-yearly meeting of the Railway Board with the Federation ; if so, what was the reply given ?

Mr. P. B. Rau : (a) The term 'substantial allowance' is new to me, but perhaps my Honourable friend is referring to the mileage allowance paid to running staff.

(b) The mileage allowance is treated as part of pay to a large extent. It is taken into account in calculating provident fund bonus, gratuity and leave allowances subject to a maximum of 75 per cent. of pay. I am not quite clear what exactly is the Honourable Member's difficulty with regard to the interpretation of the Supplementary Rules quoted by him. I shall be glad to give him a fuller reply if he will elucidate his difficulty further, but he, no doubt, realises that such questions are not easy to discuss in the form of question and answer in this House. Perhaps it will be more convenient if he will speak to me privately about it.

(c) The information is not readily available, and I am afraid its collection will be a laborious task which is hardly likely to yield any adequate return.

(d) I am unable to trace anything on record about this interview ; Sir Guthrie Russell, with whom the interview is represented as having taken place, is away from India at present and I am not in a position to make any statement on the point.

Mr. M. Maswood Ahmad : Will Government be pleased to state whether travelling ticket examiners get travelling allowance and mileage allowance ?

Mr. P. B. Rau : Travelling Ticket Examiners get travelling allowances.

Mr. M. Maswood Ahmad : And mileage allowance ?

Mr. P. B. Rau : No.

Mr. M. Maswood Ahmad : Has the attention of the Government been drawn to the Gazette of India, dated the 31st January, 1931—Running staff, *viz.*, drivers, shunters, firemen, guards, brakesmen, travelling van porters, travelling van checkers, travelling ticket examiners, travelling stores delivery staff, etc.,—and that travelling ticket examiners are also taken as running staff ? Have Government changed that rule or not ?

Mr. P. B. Rau : That, Sir, is intended for the purpose of the Hours of Employment Regulations.

Mr. M. Maswood Ahmad : Have Government changed that or is it that they still treat travelling ticket examiners as running staff ?

Mr. P. B. Rau : Travelling ticket examiners are included in running staff for the purpose of the Hours of Employment Regulations.

Mr. M. Maswood Ahmad : Do Government propose that they will amend this rule and will mention for what purpose they will be treated as running staff ?

Mr. P. B. Rau : If my Honourable friend will read those rules, he will see that they are meant for the purpose of interpreting the Hours of Employment Regulations.

Dr. Ziauddin Ahmad : Is it not a fact that this mileage allowance has been changed into a consolidated allowance ?

Mr. P. B. Rau : My Honourable friend is quite right.

TRAVELLING WITHOUT TICKETS ON RAILWAY TRAINS.

822. ***Mr. E. H. M. Bower :** Will Government be pleased to state with reference to paragraph 47, item 6, on page 30 of the Report of the Public Accounts Committee, Volume I, for 1929-30 :

- (a) whether illicit travelling entails leakage of revenue ,
- (b) whether it is the duty of the Traffic Department to recover money by the sale of tickets ;
- (c) whether the Traffic Department is responsible that no passengers board a train without a ticket ; and
- (d) whether Government propose to stop the leakage of revenue ?

Mr. P. B. Rau : The answer to all these questions is in the affirmative. Railway Administrations are fully alive to the necessity of taking steps to check travelling without tickets.

TICKET FRAUDS ON RAILWAYS.

823. ***Mr. E. H. M. Bower :** (a) Has the attention of Government been drawn to a note published in the *Railway Times*, the official organ of the National Union of Railwaymen of India and Burma, Bombay, dated the 14th January, 1933, under the heading " Ticket Frauds on Railways " ?

(b) Will Government be pleased to state if the facts contained therein are correct ?

(c) Is it a fact that several gunny bags of used tickets were discovered in the hollow pillars of Howrah station ?

(d) What action do Government propose to take on the suggestions contained in the note referred to in part (a) and on a similar suggestion contained in the Railway Retrenchment Sub-Committee's Report under a special note by Dr. Ziauddin Ahmad ?

Mr. P. R. Rau : (a) Yes.

(b) and (c). I am making enquiries and shall lay a reply on the table in due course.

(d) I presume the Honourable Member refers to the recommendation of reverting to the old system of check by Travelling Ticket Inspectors working under the Chief Accounts Officer. The question was, as the Honourable Member is aware, discussed at length by the Public Accounts Committee when they considered the Appropriation Accounts of Railways for 1929-30, and the opinion of the Railway Board was explained to them by Sir Alan Parsons, viz., that it was desirable to enforce the responsibility of collecting railway dues on the Traffic Department. The Auditor General concurred in this opinion and added that the function of the Accounts Department was, through the accounts, to check whether the Traffic Department was doing its work properly.

DISCHARGE OF CERTAIN PEONS ATTACHED TO TRAVELLING TICKET INSPECTOR SECTION ON THE EAST INDIAN RAILWAY.

824. ***Mr. E. H. M. Bower :** (a) Will Government be pleased to state how many peons attached to the Travelling Ticket Inspector section under the Accounts Department on the East Indian Railway were discharged from service from the 1st June, 1931 ?

(b) What was the length of service of each and the last pay drawn ?

(c) Have any efforts been made to provide them with similar posts elsewhere ? Is it a fact that those posts are being filled by fresh recruits from outside ? If so, why ?

(d) Do Government propose to consider the lot of these persons and mitigate their hardships by providing for them in some manner ?

Mr. P. R. Rau : (a) to (c). Government have no information.

(d) I have asked the Controller of Railway Accounts to make enquiries and see whether anything can be done to remove the grievances complained of.

REFUND OF FEES TO CERTAIN CANDIDATES NOT PERMITTED TO APPEAR AT THE MINISTERIAL SERVICE EXAMINATION OF THE PUBLIC SERVICE COMMISSION.

825. ***Pandit Satyendra Nath Sen :** (a) Will Government be pleased to state whether it is a fact :

- (i) that permanent Government servants between the ages of 25 and 30 are allowed to sit for the Indian Audit and Accounts Service Examination ;

(ii) that the same concession was extended to retrenched Government employees, who were candidates for the Ministerial Service Examination held in July, 1933 ;

(iii) that permanent Government employees between the ages of 25 and 30, who deposited fees under a reasonable belief that they were eligible to sit for the Ministerial Service Examination, were neither permitted to appear at the examination, nor were their fees refunded to them ?

(b) Has it been represented to Government that the notice, dated the 25th March, 1933, issued by the Secretary, Public Service Commission, is not explicit on the point ?

(c) Do Government propose to enquire into the matter and refund the fees to the affected parties ? If not, why not ?

The Honourable Sir Harry Haig : (a) (i) and (ii). Yes.

(a) (iii) and (c). The Notice and the Application Form for the examination in question prescribed the conditions of eligibility clearly and also stated plainly and specifically that the fee would not be refunded under any circumstances. The application form also warned candidates to read the Notice carefully to see whether they were eligible before paying the fee and that the conditions prescribed for the examination would not be relaxed in any case. If, in spite of this, some candidates, who were not eligible, applied and paid the fee, I do not think they have any cause for legitimate grievance. Government do not therefore see any reason to enquire into the matter as suggested by the Honourable Member.

(b) No.

Pandit Satyendra Nath Sen : May I know what it would amount to if these fees are refunded ?

The Honourable Sir Harry Haig : I am afraid I cannot tell. The object of the rule presumably was to avoid the time of Government officers being wasted in looking into applications for refunds.

APPLICATION OF THE NEW STATE RAILWAY LEAVE RULES TO THE ACCOUNTS STAFF.

826. ***Pandit Satyendra Nath Sen :** (a) With reference to their reply to starred question No. 946, put in the Legislative Assembly on the 8th November, 1932, regarding the application of the new State Railway Leave Rules to the Accounts staff, will Government be pleased to state the action taken by them in the matter so far ?

(b) Is it a fact that the new State Railway Leave Rules have been made applicable to permanent staff with effect from the 1st April, 1930 ?

(c) Is it a fact that there are staff in the Railway Accounts Department, who were confirmed from a date prior to the 1st April, 1930, and were not required to execute a declaration that they would come under the new State Railway Leave Rules on their introduction ?

(d) If so, do Government propose to give such staff the option to remain under the old set of Leave Rules ? If not, why not ?

Mr. P. R. Ran : (a) The temporary staff appointed in the old combined Audit and Accounts Offices before the 1st April, 1929, and taken

over by the Railway Accounts Department have been allowed the option of remaining under the old leave rules, if they were not informed of the fact that the new State Railway Leave Rules would be applicable to them. The permanent staff taken over from the old combined Audit and Accounts Department have the option to remain under the Fundamental Rules.

(b) The new leave rules have been introduced with effect from the 1st April, 1930, and are applicable to those appointed on or after that date and also to those appointed prior to that date under the arrangement that when the new rules are introduced they would be brought under them.

(c) and (d). The question is still under consideration.

APPOINTMENT OF QUALIFIED CLERKS AS SUB-HEADS ON THE EAST INDIAN RAILWAY.

827. ***Pandit Satyendra Nath Sen :** (a) Will Government be pleased to lay on the table a copy of the information referred to in reply to starred question No. 846, dated the 21st March, 1933, regarding appointment of qualified clerks as sub-heads on the East Indian Railway ?

(b) Are Government aware that if reverted sub-heads monopolise all the vacancies in the sub-head's grade, the qualified clerks, who have passed the highest departmental examination, will have to wait for promotion for at least a decade ?

(c) Is it a fact that the Controller of Railway Accounts' letter No. 77-E./31/C.R.A./III, dated the 20th July, 1932, has practically been reduced to a dead letter ?

(d) If so, do Government propose to reconsider the case of the above class of qualified clerks ?

Mr. P. R. Rau : I would refer the Honourable Member to the statement laid by me on the table of the House on the 28th August, 1933, in reply to parts (a) to (c) of question No. 846, dated 21st March, 1933.

APPOINTMENT OF LILLOOAH APPRENTICES.

828. ***Pandit Satyendra Nath Sen :** With reference to the answer to Mr. S. C. Mitra's unstarred question No. 22 (a), (b) and (c) of the 5th September, 1932, regarding Lillooah apprentices, will Government please state in what way they considered the said Anglo-Indian to be the best all round for the appointment in preference to other *ex*-apprentices of his batch all of whom were placed in higher Divisions in the Technical School examination and who are still waiting ? Is it a fact that he had no qualifications of Train Examiner [as referred to by Government in reply to Mr. Bhuput Sing's starred question No. 631 (a) of the 4th March, 1932] and he failed in the Technical School examination ? Do Government intend to take steps to replace him (the said unsuccessful Anglo-Indian) by an Indian *ex*-apprentice of his batch ? If not, why not ?

Mr. P. R. Rau : With your permission, Sir, I propose to reply to questions Nos. 828 to 836 together. I have called for certain information and will lay a reply on the table in due course.

APPOINTMENT OF LILLOOAH APPRENTICES.

†829. ***Pandit Satyendra Nath Sen :** (a) With reference to the answer given in reply to Mr. S. C. Mitra's unstarred question No. 22 (c) of the

†For answer to this question, see answer to question No. 828.

5th September, 1932, are Government aware that it is not a fact that those two apprentices were sent back to Lillooah shops for unsatisfactory work and irregular attendance ?

(b) Is it a fact that one of them was retained there (under Divisional Superintendent, Howrah) for the discharge of his duties even for a week after the strike was over ? And is it also a fact that he drew the maximum overtime allowance (working under Divisional Superintendent, Howrah) during the strike of all other apprentices of Lillooah workshop who were appointed since 1925 ?

(c) If the answer to parts (a) and (b) above, be in the affirmative, will Government please state whether, before appointing the said unsuccessful Anglo-Indian, they made any endeavour to select any one of those two Indians who had prior claims and both of whom passed in the First Division and were the seniormost of his batch for the post ? If not, why not ?

(d) If the answer to parts (a) and (b) above be in the negative, are Government prepared to make an enquiry into the matter and take necessary steps ? If not, why not ?

(e) Will Government please state why racial discrimination was made in spite of the assurance given in reply to Mr. S. C. Mitra's starred question No. 291 (a) of the 10th September, 1929, in appointing the unsuccessful Anglo-Indian as Train Examiner, although better qualified Indians were available ?

(f) Do Government propose to appoint those two Indian *ex*-apprentices as Train Examiners under Divisional Superintendents at the earliest opportunity and when vacancies arise and to issue orders to all Divisional Superintendents to this effect ? If not, why not ?

APPOINTMENT OF APPRENTICE TRAIN EXAMINERS FOR THE OPERATING DEPARTMENT.

†830. ***Pandit Satyendra Nath Sen** : (a) Will Government please lay on the table a copy of their decision in the matter of appointing further apprentice Train Examiners for the Operating Department, as referred to in the reply to a question by Mr. S. C. Mitra ?

(b) If Government have not yet reached any decision, how much longer will they take and what are the reasons for delay ?

APPOINTMENT OF LILLOOAH APPRENTICES.

†831. ***Pandit Satyendra Nath Sen** : (a) Will Government please state the number of *ex*-apprentices of Lillooah workshop appointed in suitable posts under Divisional Superintendents, as referred to in answer to Mr. S. C. Mitra's unstarred question No. 22 (f) of the 5th September, 1932, with the following particulars :

- (i) names of those who have been appointed,
- (ii) names of the Divisions posted,
- (iii) Division placed in final examination in Technical school,
- (iv) Designations,

†For answer to this question, see answer to question No. 828.

(v) number of Indians, Anglo-Indians and Europeans,

(vi) starting salaries ?

If not, why not ?

(b) Is it a fact that some *ex*-apprentices of Lillooah workshop have been appointed as Train Examiners under Divisional Superintendent, Howrah, only, and none have been appointed so far in other Divisions ? Are Government aware of the assurance given in reply to Mr. S. C. Mitra's unstarred questions Nos. 22 (f) and 23 (b) and (c) of the 5th September, 1932, and Mr. Bhuput Sing's starred question No. 631 (c) of the 4th March, 1932 ?

(c) If the answer to part (b) above be in the affirmative, will Government please state the reasons for not appointing any *ex*-apprentices in other Divisions ? Is it a fact that vacancies exist in other Divisions ?

(d) Do Government propose to appoint the *ex*-apprentices of Lillooah workshop (East Indian Railway), in other Divisions too and issue orders to all Divisional Superintendents accordingly without further delay ? If not, why not ?

APPOINTMENT OF LILLOOAH APPRENTICES AS TRAIN EXAMINERS.

†832. *Pandit Satyendra Nath Sen : (a) Is it a fact that recently some *ex*-apprentices of the East Indian Railway workshop, Lillooah, have been appointed as Train Examiners under the Divisional Superintendent, Howrah (East Indian Railway) ?

(b) Is it a fact that the majority of them are junior to many *ex*-apprentices who passed in the First Division and who are still unemployed ?

(c) If the answers to parts (a) and (b) above be in the affirmative, will Government please state the reasons for not selecting those seniors who passed in the First Division and the grounds for selecting juniors, two of whom passed in the First Division and one in the Second Division, for the posts ? Is it a fact that they had appointed one Anglo-Indian *ex*-apprentice of Lillooah workshop of 1930 under the same Divisional Superintendent who was decidedly less qualified than all the Indians of his batch and who had no qualifications of Train Examiner ? Do Government propose to take steps to replace them by those seniors who passed in the First Division and who are on the waiting list ? If not, why not ?

(d) If the answer to part (b) above be in the negative, do Government propose to make an inquiry into the matter and take necessary steps ? If not, why not ?

(e) Will Government please lay on the table a statement showing the names of the *ex*-apprentices of Lillooah workshop (East Indian Railway), who have been recently appointed as Train Examiners under the Divisional Superintendent, Howrah, with the dates of their completion of apprenticeship training and the Divisions in which they passed from the Technical School and also of their seniors who are still waiting ?

(f) Will Government please state the percentage of Indian, European and Anglo-Indian *ex*-apprentices of Lillooah workshop (East Indian Railway) appointed as Train Examiners under the Divisional Superintendent, Howrah, East Indian Railway, since 1931 and whether the

†For answer to this question, see answer to question No. 828.

policy of progressive Indianisation has been strictly adhered to in making these appointments ?

(g) Will Government please state whether they propose to appoint the senior *ex*-apprentices of Lillooah workshop (East Indian Railway) of 1929 and 1930 whose cases have been ignored, as Train Examiners, when next vacancies arise, according to the dates of completion of their training and the Divisions they passed from Technical School, and issue orders to all Divisional Superintendents to this effect without further delay ? If not, why not ?

APPOINTMENT OF LILLOOAH APPRENTICES AS TRAIN EXAMINERS.

†833. *Pandit Satyendra Nath Sen : (a) Is it a fact that selection of *ex*-apprentices of East Indian Railway workshop, Lillooah, for the posts of Train Examiners under Divisional Superintendent, Howrah, on 14th August, 1933, was made after granting interviews to all *ex*-apprentices who completed their training up to the year 1932 ?

(b) Is it a fact that one European or Anglo-Indian who completed his training this year was appointed as Train Examiner under the Divisional Superintendent, Howrah, without even being called for an interview and ignoring the claims of many senior Indians ?

(c) If the answer to part (b) above be in the affirmative, will Government please state why racial discrimination was made in appointing a junior European or Anglo-Indian *ex*-apprentice of 1933 without granting him an interview along with others ?

(d) If the answer to part (b) above be in the negative, are Government prepared to make an enquiry into the matter and take necessary steps ? If not, why not ?

(e) Do Government propose to appoint the *ex*-apprentices of Lillooah in all future cases as Train Examiners from the waiting list strictly according to seniority, giving preference to those who passed in the First Division without making any racial discrimination and issue orders to all officers concerned accordingly ? If not, why not ?

APPOINTMENT OF LILLOOAH APPRENTICES AS ELECTRICIANS AND TRAIN EXAMINERS.

†834. *Pandit Satyendra Nath Sen : (a) Will Government please state the number of *ex*-apprentices who are likely to be provided with posts under Divisional Superintendents this year, as referred to in answer to Mr. Bhuput Sing's starred question No. 631 (c) of 4th March, 1932 ?

(b) Will Government please state the number of vacancies which occurred in the grade of Electricians and Train Examiners under Divisional Superintendents, East Indian Railway, since 1932 with the following particulars :

(i) number of vacancies in each Division with the name of the Division, and

(ii) designations of the vacant posts ?

†For answer to this question, see answer to question No. 828.

FORMATION OF SQUADS FOR TICKET CHECKING ON THE EAST INDIAN RAILWAY.

†835. ***Pandit Satyendra Nath Sen** : (a) Will Government be pleased to state if squads of Anglo-Indian boys have been formed on the East Indian Railway for Ticket Checking purposes and placed under the Watch and Ward Department ?

(b) On what considerations have the provisions of Rule 9, Section I, on page 4 of East Indian Railway Agent's Circular No. 548|A.E.-2460 of the 1st October, 1932, been overlooked in basing these appointments on racial discrimination ?

(c) Was practical training for one month given to them as per Rule No. 28, Section II (Commercial) of the above Circular ?

(d) Is it a fact that a few cases of harassment to the travelling public have come to light ?

(e) Is it a fact that they are not empowered to realise money from defaulters and have to hand such men over to station staff for recovery, and that even those men who are ready to pay on demand are made over for such recovery ?

(f) Is it a fact that due to the arrangement mentioned in question (e) above, the passengers on occasions have to pay more penalty than admissible under the rules as per illustration below :

“ A passenger travelling without ticket to Chandernagore is detected at Belur. Since the squad men cannot recover the amount, they make him over to the station staff at Chandernagore where the passenger has to pay annas six as fare and annas six as penalty, whereas, if the amount was recovered then and there, as the man was willing to pay, he would have paid annas six as fare and only five pice as penalty ! ”

(g) If the reply to the above be in the affirmative are Government prepared to take immediate steps to stop this excessive recovery ?

FORMATION OF SQUADS FOR TICKET CHECKING ON THE EAST INDIAN RAILWAY.

†836. ***Pandit Satyendra Nath Sen** : Will Government be pleased to state :

(a) whether the posts for squads of Ticket Checkers on the East Indian Railway were advertised, as per Section III on page 13 of East Indian Railway Agent's Circular No. 548|A.E.-2460 of 1st October, 1932 ;

(b) if so, the names and dates of the papers ;

(c) whether there were any Indian applicants also ; if so, their qualifications, and the names of the officers of the Selection Board, if any was held ;

(d) what reasons have been recorded by the Agent in relaxing the provisions of his own Circular No. 548|A.E.-2560 of the 1st October, 1932, in basing these appointments on racial discrimination and without advertisement and one month's practical training as desired under Rule 64 of the said Circular ?

†For answer to this question, see answer to question No. 828.

PAYMENT OF DEATH CLAIMS BY THE POSTAL INSURANCE FUND.

837. *Mr. E. Studd : (a) With reference to part (b) of the unstarred question No. 157, asked by Mr. Arthur Moore on the 13th November, 1931, on the subject of payment of death claims by the Postal Insurance Fund, and its reply by the Honourable Sir Joseph Bhore to the effect that he would examine the question, will Government be pleased to state the result of that examination ?

(b) Are Government aware of the feeling of strong dissatisfaction on the part of insurance companies as regards the practice of Government of competing through the Post Office Insurance Fund on particularly favourable terms with private enterprise, especially in view of :

- (i) the extension of the ~~Post~~ Office Insurance Fund to *quasi*-Government servants,
- (ii) the increase in the maximum limit of Insurance in the Fund from Rs. 10,000 to Rs. 20,000 on any one life, and
- (iii) the practice of Government in granting a concession by dispensing with legal proof of title of claimants to policy monies where the sum assured does not exceed Rs. 5,000, which facility is one that insurance companies are unable, for their own protection, to grant ?

(c) Will Government be pleased to state what steps, if any, they propose to take in the matter so as to remove the disadvantages under which insurance companies labour when in competition with the Post Office Insurance Fund ?

The Honourable Sir Frank Noyce : (a) The question was examined and it was decided that when the amount payable to the heirs of a deceased insurant exceeds Rs. 5,000, or when the claim is disputed, payment should not be made without production of legal proof of title. It was decided that in other cases legal evidence of claim should be dispensed with but that an indemnity bond with two approved sureties should be taken. I may say that this decision was communicated to the Association of Life Insurance Offices in India, and it was explained to them that unlike private companies the scope of the Post Office Insurance Fund is limited to Government servants and *quasi*-Government servants who are better known to Government than the public at large are known to private insurance companies. The identification of their heirs is comparatively easy and there is very little risk of mispayment. In these circumstances Government consider that it would impose an unnecessary burden on the heirs of small insurants if they were required to produce legal evidence when the amount of the policy does not exceed Rs. 5,000.

(b) Government have received representations from bodies representative of Life Insurance interests in India.

(c) Government do not consider that their existing practice involves unfair competition with private Insurance enterprise, having regard to the fact that the Post Office Insurance Fund caters only for Government's own employees and persons of analogous position. There is a very large field available in India for the operation of private insurance enterprise outside the ranks of those to whom the Post Office Insurance Fund is available, and even within those ranks since it is open to any Government official to

insure—as many do—with private companies. In the circumstances Government do not propose to take any steps in this matter.

RAISING OF A STERLING LOAN IN LONDON BY THE SECRETARY OF STATE FOR INDIA.

838. *Mr. K. P. Thampan : Will Government be pleased to state :

- (a) whether it is a fact that within ten days of the Government floating the $3\frac{1}{2}$ per cent. 1947-50 loan at Rs. 96 under Notification No. F.3(2) F. 33, dated 25th April 1933, the Secretary of State raised a sterling loan of 4 per cent. at 97 in London ;
- (b) whether the Secretary of State had about 18 million sterling at his disposal for his requirements on that date and what was the immediate necessity for raising any loan ;
- (c) whether the loan was raised at the instance of the Government of India or that of the Secretary of State, and in the latter case, if the Government were consulted in the matter and they agreed to it ;
- (d) whether Government knew at the time the notification for the $3\frac{1}{2}$ per cent. loan was issued that within a short time the Secretary of State would be raising a sterling loan in London on a higher rate of interest ;
- (e) whether Government will lay on the table the whole correspondence that passed between Simla and Whitehall on the subject ?

The Honourable Sir George Schuster : (a) The facts are not quite correctly stated. The $3\frac{1}{2}$ per cent. 1947-50 loan at 96 was announced on the 25th of April and the sterling 4 per cent. loan 1948-53 was issued at 97½ on the 10th of May.

(b) No. The balance at the Home Treasury at the end of April was approximately seven million pounds. The purpose of raising a sterling loan was, first to pay off the seven million pounds sterling six per cent. loan falling due on the 15th June, and secondly to strengthen the sterling position of Government with a view to accumulating adequate external reserves for the establishment of a Reserve Bank.

(c) The loan was issued after full consultation between the Government of India and the Secretary of State.

(d) The possibility of issuing a sterling loan if at any moment conditions appeared favourable had been under discussion since the beginning of the year. But no decision had been taken nor had any terms been fixed. These decisions have to be taken in London at very short notice and the terms are fixed at the last moment.

(e) No.

Mr. K. P. Thampan : Is it not a fact, Sir, that the ruling rate of interest in England is generally less than that in India ?

The Honourable Sir George Schuster : Will the Honourable Member kindly repeat his question ? I could not hear him.

Mr. K. P. Thampan : Is it not a fact that generally the ruling rate of interest in England is less than that in India ?

The Honourable Sir George Schuster : I presume my Honourable friend is referring to the discount rate of Three Months' Bills or short term interest, is that the point ?

Mr. K. P. Thampan : No, I mean ordinary bank rate of interest.

The Honourable Sir George Schuster : It is a fact that the Bank of England discount rate is lower at present than the bank rate of the Imperial Bank of India.

Mr. K. P. Thampan : How does the Honourable the Finance Member account for the phenomenon that the loan raised in India was at a lower rate of interest than the one raised in England ?

The Honourable Sir George Schuster : Because the rate of interest payable on a Government of India loan depends on the conditions affecting Government of India securities in the London market ; it depends on the general level of credit of India in the London market.

Mr. K. P. Thampan : Is the credit of India less in England ?

The Honourable Sir George Schuster : I am afraid I do not follow my friend's question. He seems to be suggesting that because the bank rate in London was lower than the bank rate in India, therefore, the Government of India sterling loan in London ought to have been issued on more favourable terms than the Government of India rupee loan in India. If that is my friend's suggestion, my reply to him is that the price at which a Government of India sterling loan in London is issued depends upon the credit of the Government of India in London, and it is on those conditions that the terms were fixed.

Mr. M. Maswood Ahmad : Is it not a fact, Sir, that the Government of India's credit is now-a-days very high ?

The Honourable Sir George Schuster : Yes, Sir ; it is very high, and that particular loan was issued at a comparatively favourable rate.

Mr. M. Maswood Ahmad : Is it very high in England as well ?

The Honourable Sir George Schuster : It is open to my friend to see the quotations for Government of India sterling securities in the daily Press, and he can judge for himself.

Mr. B. V. Jadhav : Whenever the Government of India borrow in England a higher rate is paid than the rate in India, why is it so ?

The Honourable Sir George Schuster : It is a fact that our sterling loans in London practically always stand at a slightly lower price than the corresponding rupee loans in India, and that is a very common phenomenon for all countries. If my friend will study the position of Japan, for example, he will find still more striking differences between the quotations of their internal loans in Japan and the quotations of their external loans in London or New York.

Mr. K. P. Thampan : Is it a fact that the loan raised in England by the British Government was at a lower rate of interest than that raised by the Secretary of State for India ?

The Honourable Sir George Schuster : I do not know to what particular loan my friend is referring to, but obviously British Government

securities in London stand at a higher level than the Government of India securities ; they stand at a level which produces a yield of about one half per cent. lower rate of interest than our securities.

Mr. K. P. Thampan : Is there any foundation for the rumour that the Bank of England had a lot of money at that time and that they wanted to thrust it on this country, and that was the reason why this loan was raised ?

The Honourable Sir George Schuster : No, Sir, we did not raise the loan from the Bank of England. We raised it from the British public.

Mr. K. P. Thampan : Was not the Bank of England a large subscriber to this loan ?

The Honourable Sir George Schuster : The Bank of England never subscribes to these loans. The Bank of England arranges the issue to the public ; it is the public who subscribe to the loans.

Dr. Ziauddin Ahmad : In view of the fact that there is a very large amount available in various banks in England for investment, did the Government of India and the Secretary of State make inquiries through their experts whether the money could be raised at a lower rate of interest in London ?

The Honourable Sir George Schuster : I suppose my friend is suggesting that we should have endeavoured to negotiate privately in London. I can only tell my friend that it will be quite an impossible method for the Government of India to adopt. They cannot go round London and endeavour to raise sums privately.

Dr. Ziauddin Ahmad : What I mean is, did the Government of India and the Secretary of State make sufficient efforts to find out whether they could raise a loan at a lower rate of interest, and did they find that it was not possible ?

The Honourable Sir George Schuster : I can assure my Honourable friend that we used every possible effort to get that loan issued at more favourable rates than we were actually able to do.

Sir Cowasji Jehangir : May I ask the Finance Member whether there were any advantages at that particular time for raising a loan in England rather than in India ?

The Honourable Sir George Schuster : Sir, the object of raising this particular loan was to increase our sterling resources, and that we would not have been able to do by raising a loan in India.

REPORT OF THE POPE ENQUIRY COMMITTEE.

899. ***Mr. K. P. Thampan :** Will Government be pleased to state :

- (a) whether the Pope Committee which was appointed on the recommendation of the Railway Retrenchment Sub-Committee has submitted its report, and if so, whether it will be made available to the members of this House ;
- (b) the remuneration offered to Mr. Pope and other members of the committee ;
- (c) the total expense incurred, including the cost of printing the report, on behalf of this committee ?

Mr. P. R. Rau : (a) Copies are available in the Library of the House.

(b) Mr. Pope was paid a salary of £2,000 per annum together with an allowance of Rs. 1,000 per mensem while in India and travelling expenses at Rs. 10 per day. Mr. Pope's associates drew the pay they were in receipt of in their regular posts *plus* Rs. 10 per day travelling allowance.

(c) Including the cost of printing the report, the cost of the enquiry roughly amounted to Rs. 36,000.

IMPORT OF MOTOR CARS DESIGNED TO RUN WITHOUT PETROL FROM JAPAN.

840. *Rai Bahadur Sukhraj Roy : (a) Will Government be pleased to state whether they are aware that new motor cars designed to run without petrol have been imported from Japan and are lying on ships in Diamond Harbour at Calcutta ?

(b) Is there any dispute about payment of custom duties on the same ?

(c) Is there no provision at present in law for imposition of duties on these cars ? If so, why not ?

(d) Do Government apprehend a fall in income from petrol duties by the import of these cars ? If so, how ?

(e) Are Government aware at what price it is intended to sell such cars in India and what are the main features of such cars ?

The Honourable Sir George Schuster : (a) No such cars have been imported from Japan into Calcutta, and no such cars are lying on ships at Diamond Harbour or Calcutta. Diamond Harbour is not a port, and goods cannot be legally imported there.

(b) No.

(c) Such cars would be dutiable at the same rate as other cars.

(d) Does not arise.

(e) No.

PROSECUTION OF CERTAIN OFFICIALS OF THE CENTRAL TELEGRAPH OFFICE, CALCUTTA, FOR DIVULGING THE CONTENTS OF TELEGRAMS REGARDING RACES.

841. *Mr. B. N. Misra : (a) Has the attention of Government been drawn to the remarks at page 155 of the *Telegraph Review* for April, 1933, under the caption of "Gambling" ?

(b) Is it a fact that some years back certain officials of the Central Telegraph Office, Calcutta, were prosecuted for divulging the contents of telegrams regarding horse races ?

(c) If the answer to parts (a) and (b) be in the affirmative, what steps have Government taken, or propose to take as a preventive measure ?

(d) Will Government please lay on the table a statement showing the number of Telegraph employees (by designation) employed on this work in different offices in each Circle and how many of them are Indians and Anglo-Indians ?

The Honourable Sir Frank Noyce : (a) Government have seen the article.

(b) Government are aware of only one case of the kind to which the Honourable Member refers.

(c) The article refers to a matter of discipline in the Calcutta Telegraph Office and shows that the Chief Superintendent who is fully competent to deal with the matter has already taken such steps as he considers appropriate ; Government do not, therefore, propose to interfere.

(d) I regret I am unable to answer the Honourable Member's question as it is not clear what particular work the Honourable Member means by the expression " this work ".

PERMISSION TO THE TELEGRAPH EMPLOYEES TO WORK IN THE RACE COURSE.

842. ***Mr. B. N. Misra :** (a) Is it a fact that the Government Servants' Conduct Rules preclude the departmental employees from receiving remuneration from other firms or agents ?

(b) Is it a fact that permission is granted to the employees in the Telegraph Department to work in the race course due to economic depression ?

(c) Is it a fact that arrangements are made by the Department to give them off or reshuffle their duties in such a way as to enable them to work in the race course on every Saturday ?

(d) Will Government please state if any complaint has ever been received from any head of office for sparing these men at the appointed time on the fixed dates regularly ? If so, from which offices and on how many occasions ?

(e) Will Government please state if there was any occasion in any office to refuse this permission ? If so, when and where ?

(f) Is it a fact that many of these workers are granted permission to perform night duties permanently ? If so, why ?

(g) Will Government please lay on the table a statement showing the names of other departmental offices in which such permission is granted and the number of men thus employed and how many of them are Indians and Anglo-Indians ?

The Honourable Sir Frank Noyce : (a) Yes, except with the previous sanction of the proper authority.

(b) Such permission is of long standing and was granted before the economic depression.

(c), (e) and (f). Government have no information. The arrangement of duties in a Telegraph office is carried out by the officer-in-charge.

(d) Government have not been able to trace any such complaint.

(g) I regret that I am unable to answer the Honourable Member's question as it is not clear what offices he means by the expression " other departmental offices ".

DUTY SYSTEM OF TELEGRAPHISTS AND SIGNAL ROOM CLERKS.

843. ***Mr. B. N. Misra** : With reference to answer given to unstarred question No. 100, dated the 13th March, 1933, by Mr. Rameswar Prasad Bagla :

(a) has the attention of Government been drawn to page 369 of the *Telegraph Review*, November, 1932, where a representation to the Director General appeared under the heading "Frequent night duties" ?

(b) are Government prepared to order a departmental enquiry into the duty system prevalent in signal offices ?

The Honourable Sir Frank Noyce : (a) Yes, the representation, which is reproduced on the page mentioned, was duly replied to by the Director General.

(b) No, Government do not consider that there is any necessity for such inquiry.

REPORT OF THE VARMA COMMITTEE.

844. ***Mr. B. N. Misra** : (a) Has the attention of Government been drawn to question No. 5 under section H—Supplementary Questionnaire of the Varma Committee ?

(b) Is it a fact that the investigation conducted has not been embodied in the Report ?

(c) Will Government please lay on the table the whole correspondence on the subject with the reasons for omission of their findings on this subject in the Report by the Committee ?

(d) With reference to paragraph 30 of the Varma Committee Report, will Government please lay on the table the whole correspondence and evidence on the duty chart and daily absence list which are essential for the computation of telegraph staff ?

The Honourable Sir Frank Noyce : (a) to (d). Government have not yet taken the report of the Varma Committee into consideration and I, therefore, regret that I am unable to reply to the Honourable Member's questions.

MEAL RELIEF IN POST OFFICES.

845. ***Mr. B. N. Misra** : (a) Will Government please state what are the differences in the conditions of service in the Indian and continental signal offices in respect of meal relief, which preclude the Government to accept the standard of 45 minutes' relief ?

(b) Will Government please state the result of the enquiry regarding meal relief in British Post Offices ?

The Honourable Sir Frank Noyce : (a) and (b). For the reasons explained in the reply to part (h) of Mr. Rameswar Prasad Bagla's unstarred question No. 100 in this House on the 13th March, 1933, Government do not propose to take any action in the matter of comparison between the Indian and British and Continental signal offices in respect of the period of meal relief.

INSOLVENT EMPLOYEES IN CERTAIN GOVERNMENT DEPARTMENTS.

846. ***Mr. B. N. Misra :** With reference to starred question No. 850, dated the 21st March, 1933, by Mr. Lalchand Navalrai, will Government be pleased to state how many insolvents are still in the active service in the Telegraph side of the Posts and Telegraphs Department in gazetted ranks in (i) Railway, (ii) Posts, and (iii) Telegraphs Departments separately ?

The Honourable Sir Frank Noyce : Government regret that the information is not readily available and could not be obtained without an expenditure of time and labour which would be unjustifiable.

INDEBTEDNESS OF GAZETTED OFFICERS IN THE TELEGRAPH DEPARTMENT.

847. ***Mr. B. N. Misra :** (a) Are Government aware that many gazetted officers in the Telegraph Department are hopelessly encumbered with debt taken from private individuals ?

(b) Will Government please lay on the table a statement showing the number of employees still in service in the Telegraph Department among the (i) subordinate and (ii) gazetted ranks whose pay has been attached by the Court ?

(c) Is it a fact that Government is considering the desirability of amending Rule 16 of the Government Servants' Conduct Rules with a view to make dismissal a compulsory condition for those Government servants who have been adjudged insolvents ?

(d) Will Government please state the number of employees during the last 10 years in the Telegraph Department whose services have been dispensed with for misappropriating the public money or for abetting or falsification of Government accounts ?

The Honourable Sir Frank Noyce : (a) Although Government are aware that certain of the gazetted officers in the Telegraph branch of the Posts and Telegraphs Department are financially embarrassed, they have no reason to suppose that the number is large.

(b) and (d). Government regret that the required information is not readily available and cannot be obtained without an undue expenditure of time and labour.

(c) No.

ALLEGED FALSIFICATION OF ACCOUNTS BY A CLERK OF THE OFFICE OF THE DIRECTOR, TELEGRAPH ENGINEERING, EASTERN CIRCLE.

848. ***Mr. B. N. Misra :** (a) Is it a fact that the services of a clerk who was attached to the office of the Director, Telegraph Engineering, Eastern Circle (now amalgamated with the Postmaster-General's Office, Calcutta), were dispensed with for alleged falsification of accounts and misappropriation on the judgment of the Presidency Magistrate during the time when Mr. Fox was Personal Assistant ?

(b) Is it a fact that the trying Magistrate passed severe strictures on the conduct of some responsible officers ?

(c) Will Government please lay on the table the full copy of the judgment ? If not, why not ?

(d) Is it a fact that the officers whose conduct was criticised are still in service ?

The Honourable Sir Frank Noyce : (a) The clerk was dismissed from service on the charges referred to not in connection with the cases in which he was acquitted by the Presidency Magistrate but in connection with other cases of falsification of accounts and misappropriation of Government money, brought to light as a result of departmental investigations after his acquittal by the Magistrate.

(b) So far as Government are aware the trying Magistrate made adverse comments on the conduct of one officer only.

(c) Government regret that they are unable to comply with the Honourable Member's request as the dismissal of the clerk referred to in part (a) of this question was not in connection with the cases forming the subject of the judgment and the officer referred to in my reply to part (b) above has since died.

(d) The Honourable Member is referred to the reply to parts (b) and (c) above.

UNAUTHORISED APPOINTMENTS IN THE POSTAL DEPARTMENT.

849. ***Mr. B. N. Misra :** (a) Has the attention of Government been drawn to Chapter XIV of the Report of the Telegraph Establishment Enquiry Committee and to pages 353, 390 of the *Telegraph Review* of November and December, 1932, on the subjects of certain unauthorised appointments ?

(b) Have Government undertaken any enquiry ? If so, with what results ? If not, why not ?

(c) Is it a fact that all these appointments are being carried on for years with the full knowledge of the Circle Heads ?

The Honourable Sir Frank Noyce : (a) As regards the first part of the question, Government have not yet considered the Report of the Committee. As regards the second part, Government have seen the article in question.

(b) Government have made no enquiries as the matter is one with which the Head of the Circle is competent to deal.

(c) Government have no information.

DECENTRALISATION OF THE ADMINISTRATION OF THE POSTS AND TELEGRAPHS DEPARTMENT.

850. ***Mr. B. N. Misra :** (a) Is it a fact that the administration of the Posts and Telegraph Department is being gradually decentralised like other Government Departments ?

(b) Have Government taken any disciplinary action against the responsible officers where they have flouted the orders of the Director General ? If so, will Government be pleased to state the number of such officers and the nature of punishment awarded ?

The Honourable Sir Frank Noyce : (a) Yes, so far as is practicable.

(b) Government are not aware of the orders of the Director General being flouted by responsible officers. Occasionally orders may be disregarded ; such cases when they come to notice are dealt with according to the circumstances. The Department has been so long in existence that it would be an impossible task to compile a statement of such cases.

RULES FOR RECOGNITION OF GOVERNMENT SERVANTS' ORGANISATIONS.

851. ***Mr. B. N. Misra :** (a) Has the attention of Government been drawn to the two editorials in the *Telegraph Review* for December, 1932 and June 1933 on the subject of Rules of Recognition of Government servants' organizations ?

(b) Is it not a fact that the editorial under caption " A bone of contention " in the June, 1933, issue is based on the recommendations of the Whitley Commission ?

(c) Is it a fact that under the existing rules of recognition, service organizations cannot represent the grievances of individual members ?

(d) Is it not a fact that on many occasions Government ask for individual concrete instances from the organizations whenever common grievances are represented ?

(e) In view of the recommendations of the Royal Commission on Labour in India, are Government prepared to consider the modification of the existing rules of recognition of Government servants' organisations ? If not, why not ? If so, when ?

The Honourable Sir Frank Noyce : (a) Government have seen the article.

(b) The article refers to certain passages in the Report of the Commission.

(c) Yes, representations must be confined to matters which are, or raise questions which are, of common interest to the class represented by the Association.

(d) Such occasions may arise, but are not frequent.

(e) Government have under consideration the revision of the Recognition Rules in their application to industrial workers.

INSPECTION OF COMBINED POST AND TELEGRAPH OFFICES.

852. ***Mr. B. N. Misra :** (a) Is it a fact that the inspection of combined post and telegraph offices has been transferred from the duty of a

Superintendent of Telegraph Traffic to that of a Postal Inspector and Superintendent ?

(b) Is it a fact that under the existing rules Postal clerks are eligible for the posts of telegraphists after training ?

(c) Is it a fact that the majority of 228 telegraphists surplus to requirements have been transferred to the post offices and the occasion for such transfers are too frequent ?

(d) Will Government please state whether suitable telegraphists and clerks in the Telegraph Department are eligible for promotions to the grades of Postmasters, Postal Inspectors and Superintendents provided they possess the required qualifications ? If not, why not ? Will Government please state whether they are prepared to consider the question now ?

The Honourable Sir Frank Noyce : (a) and (b). The replies are in affirmative.

(c) No, only 68 telegraphists have been so transferred.

(d) The reply to the first part is in the negative. As regards the second part, the duties of telegraphists or clerks in telegraph offices are quite different from those of officials in the grades of Postmasters, Postal Inspectors or Superintendents of Post Offices and the experience gained by them in their own grades would be of no value in the grades named by the Honourable Member. The reply to the last part is in the negative.

NON-GRANT OF LEAVE TO THE INFERIOR SERVANTS OF THE TELEGRAPH DEPARTMENT.

853. ***Mr. B. N. Misra :** (a) Are Government aware that there are no provisions for leave reserves staff for the inferior servants of the Telegraph Department and consequently leave on average pay granted to superior establishment is denied to this class of employees ?

(b) If answer to part (a) be in the affirmative, are Government aware of the hardship caused to these servants of Government ?

(c) If answer to part (b) be in the affirmative, do Government propose to make necessary provision for their leave reserve and grant them average pay for privilege leave ? If not, why not ?

The Honourable Sir Frank Noyce : (a) Yes.

(b) and (c). The existing rules do not provide for the grant of leave on average pay to inferior Government servants generally and Government do not propose to make an exception in respect of the inferior staff of the Telegraph Department.

GRIEVANCES OF THE TELEGRAPH STAFF.

854. ***Mr. B. N. Misra :** (a) Are Government aware of the fact that in the May and July, 1933, issues of the *Telegraph Review* on pages

189-190 and 255-256, three articles appeared under the captions (i) " Who is to blame ", (ii) " Legitimate Claims " and (iii) " Viceroy's Camp " ?

(b) Will Government be pleased to state whether the facts on which the articles have appeared are substantially correct ? If so, what action have Government since taken or propose to take to redress the grievances of the staff ?

The Honourable Sir Frank Noyce : (a) Yes.

(b) As regards the first part of the question, the reply is in the affirmative.

Of the cases referred to, the claim for enhanced overtime allowance made by certain telephone operators, Dacca and Narayanganj, was not admitted, on the ground that it was a very belated one when it reached the Director General. I have however given instructions that the claim should be re-examined.

The claim of certain task work messengers for overtime allowance for duty performed in 1930, in the Viceroy's camp office at Calcutta, was not referred to the Director General by the Postmaster-General, Bengal and Assam, who apparently disposed of it under his own powers.

REALISATION OF SUBSCRIPTION OF MEMBERS OF SERVICE ORGANISATIONS THROUGH THE SALARY BILLS OF THE STAFF.

855. ***Mr. B. N. Misra :** (a) Is it a fact that recoveries of co-operative credit societies, clubs, etc., attached to different Government offices are made through the salary bills of the staff ?

(b) If the reply to the above question be in the affirmative, do Government propose to grant the same facilities to service organisations recognised by Government in respect of realisation of subscriptions of members through their salary bills ? If not, why not ?

The Honourable Sir George Schuster : (a) and (b). There are no cases where deductions for such purposes are made through salary bills in the same way, for instance, as a subscription to a Provident Fund. In certain cases however an arrangement was introduced as a concession whereby sums due from members of co-operative societies in the Posts and Telegraphs Department could be realised through the assistance of departmental officials. The practice is limited to certain cases and it is considered undesirable to extend it.

RETRENCHMENT IN THE UNITED PROVINCES POSTAL CIRCLE.

856. ***Mr. B. N. Misra :** (a) Is it not a fact that the promotions and discharge of officials under the retrenchment scheme in the United Provinces Circle of the Posts and Telegraphs Department are being done on the grounds of communalism ?

(b) Will Government be pleased to state if they have received any appeals from the staff of the United Provinces Circle on the grounds mentioned in part (a) ?

(c) Are Government prepared to make sifting enquiries into this matter and take such steps as would stop these practices ?

The Honourable Sir Frank Noyce : (a) As has often been stated in this House, promotions are not made on communal grounds. In carrying out retrenchment, however, the communal ratios existing before the beginning of the retrenchment campaign have been maintained as nearly as circumstances allowed.

(b) No such appeals have been traced.

(c) In the absence of any reason to suppose that their orders are not being carried out in the United Provinces Circle, Government do not propose to initiate enquiries.

TEACHING STAFF OF THE ROYAL INDIAN MILITARY COLLEGE, DEHRA DUN.

857. ***Mr. B. N. Misra :** (a) Will Government be pleased to state (i) the number of the members of the senior staff of the Royal Indian Military College at Dehra Dun, (ii) their academic qualifications, (iii) the classes in which they obtained their degrees, if any, (iv) their ages and dates of appointment, (v) the salaries on which they started and their present salaries, (vi) their extra allowances and the duties for which they are given, and (vii) other privileges, like free bungalows with their rental values, etc. ?

(b) Are there any Indians on the senior staff of this college, or has any Indian been appointed on the senior teaching staff ? If not, why not ?

(c) If the answer to part (b) be in the negative, were there no Indians available with these or better qualifications ? Why have no Indians been appointed, keeping in view the Government declared policy of Indianising a certain proportion of the military services ?

(d) Is it a fact that this college has nothing to do with military training ? If so, have Government considered whether they can obtain more efficient Indians on lower salaries for it ?

Mr. G. R. F. Tottenham : (a) I lay a statement on the table giving the information desired by the Honourable Member so far as available.

(b) and (c). No Indian has been appointed permanently to the senior teaching staff because the object of the college is to give a Public School education on British lines and British masters are considered essential if this object is to be fulfilled.

(d) Apart from simple drill and physical training no military training is imparted at the college. For the reason given in the reply to parts (b) and (c) the answer to the second part of this question is in the negative.

Statement showing certain information about the senior staff of the Royal Military College, Dehra Dun.

Names.	Academic qualifications.	Age on appointment.	Date of appointment.	Salary.		Extra allowances.	Rental value of free quarters.	Remarks.
				Initial.	Present.			
1	2	3	4	5	6	7	8	9
J. G. C. Scott, Esq.	M.A. (Cantab.)	33	23-10-21	1,500	1,750 <i>plus</i> overseas pay at £30 p. m.	Rs. 150 p. m. Principal's allowance.	185	
C. A. Phillips, Esq.	M.A. (Cantab.)	33	10-2-22	1,000	1,250 <i>plus</i> overseas pay at £30 p. m.	Rs. 100 Section master's allowance.	173	
J. M. Allen, Esq. . .	M.A. (Cantab.)	37	30-11-25	750 <i>plus</i> overseas pay £25.	1,100 <i>plus</i> overseas pay £30.	Rs. 100 Section master's allowance.	252	
J. C. Pritchard, Esq.	B.A. (Oxon.)	25	23-7-26	400 <i>plus</i> overseas pay Rs. 150.	700 <i>plus</i> overseas pay £25.	Rs. 100 Section master's allowance.	254	
W. V. Berkeley, Esq.	Was appointed while in residence at Oxford before he took a degree.	22	14-1-27	Do.	600 <i>plus</i> overseas pay £15.		194	
J. T. Badham, Esq.	M.A. (Cantab.)	28	14-11-27	550 <i>plus</i> overseas pay Rs. 150.	800 <i>plus</i> overseas pay £25.		97*	* Messrs. Badham and Catchpole are in occupation of 1/3rd portion of the unmarried officers' quarters separately.
F. C. Harris, Esq. . .	M.A. (Oxon.)	23	29-7-28	400 <i>plus</i> overseas pay Rs. 150.	550 <i>plus</i> overseas pay Rs. 150.		249	
H. Catchpole, Esq.	B.A. (Oxon.)	21	26-10-28	Do.	450 <i>plus</i> overseas pay Rs. 150.		97*	
E. Watson, Esq. . .	M.Sc. (Sheffield).	29	5-1-33	600 <i>plus</i> overseas pay £15.	600 <i>plus</i> overseas pay £25.		239	

Mr. Gaya Prasad Singh : I understood the Honourable Member to say that no military training is given in the Royal Indian Military College at Dehra Dun.

Mr. G. R. F. Tottenham : Yes.

Mr. Gaya Prasad Singh : If that is so, why should the name be the Royal Indian *Military* College ? It becomes a misnomer.

Mr. G. R. F. Tottenham : Because it prepares boys for the Indian Military Academy examination.

Mr. Gaya Prasad Singh : Without any military training at all ?

Mr. G. R. F. Tottenham : Yes.

TEACHING STAFF OF THE INDIAN MILITARY ACADEMY, DEHRA DUN.

858. ***Mr. B. N. Misra :** (a) Will Government be pleased to state if there are any Indians on the teaching staff of the Indian Military Academy, Dehra Dun ? If not, why not ?

(b) Why are military officers only appointed for the teaching of such subjects as Elementary Mathematics, Geography, Law, Drawing, Higher Mathematics, Economics, Science, etc. ?

(c) If the answer to the latter part of (b) above be in the affirmative, are Government prepared to take the necessary action to replace the military officers with Indians with proper qualifications ?

(d) Will Government please state the number of officers in the Military Academy getting (i) Rs. 300 and upwards and (ii) below that ?

(e) How many (i) Europeans, (ii) Indians are there in the cadre above Rs. 300 ?

Mr. G. R. F. Tottenham : (a), (b) and (c). The attention of the Honourable Member is invited to the answer to starred question No. 759 asked on the 13th March last.

(d) (i). 15.

(ii). 2.

(e) (i). 15.

(ii). None.

EXTENSIONS GIVEN TO THE COMMISSIONER AND ASSISTANT COMMISSIONER OF INCOME-TAX IN THE UNITED PROVINCES AND THE PUNJAB, RESPECTIVELY.

859. ***Bhai Parma Nand :** (a) Will Government be pleased to state if it is a fact that in the Income-tax Department, extension has been given for the second time to an Income-tax Commissioner in the United Provinces, and that an extension has also been given to an Assistant Income-tax Commissioner in the Punjab ?

(b) Is it a fact that Government have issued instructions that persons who have done 25 years' service should be made to retire ? If so, why is it that extension is so freely given in the Income-tax Department ?

(c) Are Government prepared to consider in the interests of economy that such extension should be disallowed and persons who have done 25 years' service be asked to retire ?

The Honourable Sir George Schuster : (a) Yes.

(b) No. The second part of the question does not arise.

(c) That is a matter for consideration in each case. Extensions have only been granted when that has been considered to be in the interest of public service.

STOPPAGE OF EXPRESS TRAINS AT KHATAULI, NORTH WESTERN RAILWAY.

860. ***Bhai Parma Nand** : (a) Will Government be pleased to state whether the Up Bombay Express No. 57 and Down Express No. 58 do not stop at Khatauli on the North Western Railway, which is nearly midway between Muzaffarnagar and Meerut Cantonment ?

(b) Is it a fact that Khatauli has a much larger population—eight or nine times the population of Mansurpur and Daurala where these trains stop—and is also commercially more important and also the nearest Railway Station to the Tahsil headquarters at Janseth ?

(c) Are there any special reasons why the Bombay Express trains should stop at those stations and not at Khatauli and will Government please state the reasons ?

(d) Is it a fact that a big sugar mill is also being erected at Khatauli and will Government please give the figures for the goods and passenger traffic on this station from the 1st April to the 15th August, 1933, as also the figures for Mansurpur and Daurala stations for the same period and also for the corresponding period in 1932 ?

(e) Are Government prepared to consider the advisability of asking the North Western Railway Administration to arrange the stoppage of the Express at Khatauli ?

(f) Is Mansurpur only five miles from Muzaffarnagar and Daurala and six or seven miles from Meerut Cantonment ?

Mr. P. B. Rau : (a) Yes.

(b), (c), (d) and (f). Government have no information.

(e) I am sending a copy of this question to the Agent, North Western Railway, for considering the suggestion made by the Honourable Member.

CLASSIFICATION IN JAIL OF INDIAN PRISONERS.

861. ***Bhai Parma Nand** : (a) Is it a fact that the *social status* and *the mode of living* of the convict is the sole test applied by Government in the matter of the classification of Indian prisoners into three classes ?

(b) Is it a fact that Government have always been extremely averse to the entertainment of any proposal aiming at discrimination between ordinary and political prisoners ?

(c) Is it not a fact that *normally* every prisoner is entitled to associate with other prisoners of his own class, and that the Jail Manual even permits, with certain limitations, an only prisoner of a particular class to associate with one or more of a different class if he so desires ?

(d) Will Government please state whether they have authorised the Inspector-General of Prisons to frame and issue discriminatory regulations, and are Government aware that they virtually do away with the provisions of section 60 of the Prisoner's Act, so far as they are applicable to *Delhi* ?

If so, how do they reconcile their position with oft-professed principle of non-discrimination between the ordinary and political prisoners ?

(e) Is it also not a fact that in addition to his segregation :

- (i) the so-called terrorist prisoner does not get the special remission permitted in the case of ordinary prisoners ;
- (ii) he is not entitled to be made a convict-official, and loses the special remission and other facilities incidental thereto ;
- (iii) he cannot get any of the better kind of labour, such as clerical work, etc. ;
- (iv) he is not permitted books from outside ;
- (v) he is not permitted a newspaper even when placed in the B class ?

The Honourable Sir Harry Haig : (a) Social status, education and habit of life are the criteria for admission to classes B and C but admission to class A is dependent also on the nature of the crime for which the prisoner is convicted and on his being a non-habitual prisoner.

(b) Government have not recognised a special class of political prisoners.

(c) It is a fact that prisoners are normally allowed a certain amount of association with other prisoners and that where there is only one prisoner of a certain class it is usual to give him some facilities for company.

(d) Section 60 of the Prisons Act confers a rule-making power on Local Governments. The Government of India are not aware that any Local Government has issued rules, or authorised any Inspector General to issue orders, which are not in accordance with the general instructions prescribed by the Governor General in Council for the classification of prisoners.

(e) (i) The rule relating to special remission applies to all prisoners equally.

(ii) No prisoner has any right to be made a convict official. Such appointments are made purely by selection.

(iii) Prisoners are ordinarily employed on the class of labour for which the Medical Officer certifies them to be fit. No prisoner has any right to any less severe form of labour.

(iv) and (v). There is no discrimination against terrorist prisoners in the matter of facilities for reading either books or newspapers.

CASE OF MESSRS. VAISHAMPAYAN AND POTDAR, ACCUSED IN THE DELHI CONSPIRACY CASE.

862. ***Bhai Parma Nand :** (a) Is it a fact that Vaishampayan and Potdar were acquitted by the Sessions Judge of Delhi in a case under the Explosive Substances Act ?

(b) Is it a fact that both the persons above-named were immediately re-arrested and confined in jail ?

(c) Is it a fact that Potdar was released after three or four days ?

(d) Will Government be pleased to state why he was detained ?

(e) Are Government prepared to order Vaishampayan's release ? If not, why not ? Why is he being detained ?

(f) Is it a fact that Vaishampayan and Potdar were accused in Delhi Conspiracy Case before the case under the Explosive Substances Act was instituted, and that this case was withdrawn after about two years ?

(g) Do Government propose to compensate the above-named persons for their long and uncalled-for confinement ? If so, what compensation do they intend to make ? If not, why not ?

The Honourable Sir Harry Haig : (a) to (v). Yes.

(d) Potdar was detained under section 2 of the Punjab Criminal Law Amendment Act, 1932, pending consideration whether it was necessary to take any action against him.

(e) The answer to the first part is in the negative, and to the remaining parts, that the State Prisoner is being detained in jail in view of his terrorist activities which make it undesirable for him to be at liberty.

(f) Yes.

(g) I would refer the Honourable Member to the reply given by me on the 2nd March last to Rai Bahadur Sukhraj Roy's question No. 602.

GRANT OF AN ALLOWANCE TO MR. V. G. VAISHAMPAYAN, A STATE PRISONER.

863. ***Bhai Parma Nand :** (a) Is it not a fact that Mr. V. G. Vaishampayan was arrested and detained under Regulation III of 1818 immediately after he was acquitted by the Sessions Judge of Delhi from charges under Explosives Act ?

(b) Is it a fact that Government have not so far fixed any allowance for him and his dependants ?

(c) Are Government aware of the fact that Mr. V. G. Vaishampayan was the sole bread-winner of the family, consisting of a blind father, an old mother, an unmarried sister, and two minor brothers ?

(d) Will Government be pleased to state as to what steps they are taking towards the speedy decision of the question of proper allowance, etc., for him ?

The Honourable Sir Harry Haig : (a) Yes. Mr. V. G. Vaishampayan was detained as a State Prisoner under Regulation III of 1818 about the middle of August last.

(b), (c) and (d). The question whether any allowance is necessary is under consideration. According to my information the State Prisoner is unmarried and was a student and was earning nothing at the time of his arrest. It is understood that his father is in receipt of a pension.

EXTERMENT OF ONE MR. RATNA PRAKASH FROM DELHI.

864. ***Bhai Parma Nand :** (a) Are Government aware that on the 25th July, 1933, Mr. Ratna Prakash was served with notice to leave Delhi Province within 24 hours for an indefinite period ?

(b) Are Government aware that Mr. Ratna Prakash was Secretary of the Students Harijan Service League, Delhi, which is a purely social body ?

(c) Has Mr. Ratna Prakash been externed on account of his anti-untouchability activities ? If not, will Government be pleased to give reasons for externing Mr. Ratna Prakash from Delhi where he has been residing for the last eight years ?

(d) Was any opportunity given to Mr. Ratna Prakash to explain himself before taking action against him ? If so, what ? If not, why not ?

The Honourable Sir Harry Haig : (a) Yes.

(b) It is understood this was one of his activities.

(c) and (d). The order of externment had nothing to do with anti-untouchability activities. It was issued in view of the Local Government being satisfied that he was pursuing activities of a revolutionary character falling within the terms of section 3 of the Punjab Criminal Law Amendment Act, 1932, and in accordance with the procedure laid down in that section.

COMMUNAL INEQUALITY IN INFERIOR APPOINTMENTS IN THE JHELMUM HEAD POST OFFICE.

865. ***Bhai Parma Nand :** (a) Is it a fact that out of 18 non-clerical superior and 11 inferior appointments in the Jhelum Head Post Office only one inferior appointment is held by a Hindu and all the rest by Muslims ? If so, do Government propose to take action to remedy the communal inequality in the said appointments ?

(b) Will Government be pleased to state the number of candidates for the above cadres of each community on the waiting list and how many Hindus have been recruited during the last five years to adjust the communal inequalities ? Has any of the Hindu candidates been given appointment according to Government orders regarding reserving of vacancies for minority communities ? If not, who is responsible for not acting up to Government orders and what action do Government propose to take against him and to stop further injustice to the Hindu community ?

(c) Owing to the paucity of Hindu inferior servants on the staff of the Jhelum Head Post Office, will Government be pleased to state what facilities, if any, have been provided for the supply of water, etc., to the Hindu clerical staff there ? Is it a fact that the Muslim staff are benefited by the service of a *bhishtee* sanctioned for the office besides the ten Muslim inferior servants ?

The Honourable Sir Frank Noyce : (a) to (c). Information has been called for and will be placed on the table in due course.

COMPULSORY ATTENDANCE OF THE STAFF OF THE HISSAR HEAD POST OFFICE ON A HOLIDAY.

866. ***Bhai Parma Nand :** (a) Have Government seen the article under the caption " Strange if True " in the issue of the *Daily Herald*, dated the 30th March, 1933, regarding compulsory attendance of the staff of the Hissar Head Post Office on 12th March, 1933, which was a Sunday and also a religious day for the Hindus on account of Holi ?

(b) Will Government please state who was responsible for the issue of these orders ?

(c) If the facts mentioned in part (a) are correct, do Government propose to state whether any action was taken against the officer concerned for causing inconvenience to the Hindu staff and interfering with the observance of their religious day ? If not, are Government now prepared to take suitable action to avoid a repetition of such occurrences ?

The Honourable Sir Frank Noyce : (a) Government have seen the article in question.

(b) and (c). Government have no information, but the matter is within the competence of the Head of the Circle concerned to whom a copy of the question is being sent.

RETRENCHMENT OF HINDUS IN THE PUNJAB AND NORTH-WEST FRONTIER POSTAL CIRCLE.

867. ***Bhai Parma Nand :** (a) Is it a fact that Government have laid down the policy of giving weight to communal proportion in services in the matter of

(i) Recruitment,

(ii) Retrenchment of personnel ?

(b) Is it a fact that recently the Postmaster-General, Punjab and North-West Frontier Circle, has retrenched 19 officials of the Railway Mail Service, out of which four are Muslims, one Sikh and fourteen Hindus ?

(c) Is it a fact that out of the 19 officials retrenched, four Muslims, six Hindus, and one Sikh are those who have voluntarily retired and that the remaining eight who have been retrenched are all Hindus ?

(d) If replies to parts (a), (b) and (c) be in the affirmative, will Government please state why Hindu officials have been retrenched out of all proportion ?

(e) Do Government propose to restore to service the Hindu officials, who have thus been retrenched ?

The Honourable Sir Frank Noyce : (a) The facts are substantially as stated by the Honourable Member.

(b) to (e). Information is being collected and a reply will be laid on the table in due course.

RETRENCHMENT OF HINDUS IN CERTAIN RAILWAY MAIL SERVICE DIVISIONS.

868. ***Bhai Parma Nand :** (a) Is it a fact that recently some four selection grade officials have been retrenched in Railway Mail Service " D " and " L " Divisions, who are all Hindus ?

(b) Is it a fact that there are orders from Government of India that the proportion amongst communities existing before retrenchment should not change after retrenchment ?

(c) Is it also a fact that officials who volunteer themselves to retire under retrenchment concessions or otherwise are not regarded as retrenched personnel for the purpose of maintaining communal ratio as stated in part (b) above ?

(d) Is it also a fact that the retrenched Hindu officials have barely put in a service of 30 years in the department, whereas others who have

been left over are officials with more than 32 years of service ? Is it not against the intentions of and contrary to the instructions laid down by the Government of India in this connection ?

(e) If the replies to parts (a), (b), (c) and (d) be in the affirmative, will Government please state why only the junior Hindu officials have been singled out for retrenchment ?

The Honourable Sir Frank Noyce : (a), (d) and (e). The information is being collected and will be placed on the table in due course.

(b) Yes, the ratio between the various communities existing before retrenchment is to be maintained to the nearest practicable figure.

(c) The fact is not as stated. Officials who retire voluntarily under the retrenchment scheme, but not those who retire under the ordinary rules, are treated as retrenched officials for the purpose referred to.

RETRENCHMENT OF HINDUS IN CERTAIN RAILWAY MAIL SERVICE DIVISIONS.

869. ***Bhai Parma Nand :** (a) Will Government please state the number of Hindus, Muhammadans, Sikhs and others serving in the Railway Mail Service " D " and " L " Divisions in clerical and sorters cadre on the 1st March, 1933 ?

(b) Will Government also please state the number of officials retrenched in those Divisions (excluding those who volunteered themselves for retirement) since 1st March, 1933, as also the communities to which they belonged ?

(c) Is it a fact that the proportion that existed on the 1st March, 1933, in these Divisions has not been maintained ? If so, are Government prepared to restore them to service ? If not, why not ?

The Honourable Sir Frank Noyce : (a) The latest figures in possession of Government which are up to the 31st December, 1932, are as follows :

Railway Mail Service ' D ' Division.	Hindus 280, Muhammadans 105, Sikhs 35, Indian Christians 3 and others nil.
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Railway Mail Service ' L ' Division.	Hindus 300, Muhammadans 98, Sikhs 62, Indian Christians and others nil.
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(b) and (c). The information is being collected and a reply will be laid on the table in due course. It must not, however, be inferred that Government accept the Honourable Member's implication that voluntary retirements should be ignored.

PERIOD OF STAY OF EACH DEPUTY POSTMASTER GENERAL IN ONE POSTAL CIRCLE.

870. ***Bhai Parma Nand :** (a) Will Government please state if there is any order fixing the limit of stay of a Deputy Postmaster General in one Circle ?

(b) Will Government please lay a statement on the table showing the period of stay of each Deputy Postmaster General in their Circles ?

(c) If any such officer has exceeded the fixed limit, do Government propose to transfer him to some other Circle ?

The Honourable Sir Frank Noyce : (a) The reply is in the negative.

(b) In view of the reply to part (a) Government do not consider that it would be useful to collect the information.

(c) Does not arise.

ALLEGATIONS AGAINST THE SUPERINTENDENT OF POST OFFICES, ROHTAK DIVISION.

871. ***Bhai Parma Nand :** (a) Is it a fact that the present Superintendent of Post Offices, Rohtak Division, closed the Telegraph Branches of Rohtak Head Office and Hissar Cutchery Sub-Office several times during the years 1932-33 and 1933-34 on the ground that no combined hand was available to do telegraph work during the casual leave granted to officials for private affairs ? Are Government aware that this caused delay in the disposal of the telegraph work, and consequent inconvenience to the public ?

(b) Are Government aware that one Mr. Chander Bhan Gupta, reserve clerk, Hissar Post Office, applied for leave owing to his son's serious illness, which was not granted, and the child subsequently died, and even then he was not relieved soon after ? If so, will Government please state why some arrangement could not be made to relieve Mr. Chandar Bhan ?

(c) Will Government please state whether the Director General, Posts and Telegraphs, ever issued any instructions to his subordinates in the matter of granting leave in such cases of emergencies ? If so, why were those instructions not acted upon by the Superintendent of Rohtak Division ?

(d) Is it a fact that during the time Mr. Chandar Bhan's son was ill, a combined hand was available in the office of the Superintendent, Rohtak Division but his services were not utilized on this occasion ? If so, why ?

(e) Is it a fact that there are standing orders to the effect that a combined hand should not be posted to the Superintendent's office nor any clerk kept in such offices for more than five years ? If so, will Government please state how many such officials are working in the office of the Superintendent, Post Offices, Rohtak Division, contrary to Government orders and what action they propose to take in the matter ?

(f) Is it a fact that the combined hand working in the office of the Superintendent, Post Offices, Rohtak Division, since a long time was ordered several times by the Postmaster General to be removed but his orders have not been carried out by the Superintendent ? If so, why not ?

(g) If the facts are as stated in parts (a) to (f), will Government please state what action they propose to take against this Superintendent ? Do they propose to refer to his personal records in other Circles before he was transferred to the Punjab which is his home ?

The Honourable Sir Frank Noyce : (a), (b), (d), (e), (f) and (g). Government have no information. The Head of the Circle is fully competent to deal with the matters to which the Honourable Member refers and a copy of this question is being sent to him.

(c) The fact is not as stated. The Director General's instructions which the Honourable Member seems to have in mind relate to the prompt relief of officials in cases of their own serious illness. The latter part of the question does not arise.

DEMAND OF WHITE-SETTLERS FOR THE CONTROL OF FINANCES OF THE KENYA GOVERNMENT.

872. ***Mr. Gaya Prasad Singh** : (a) Has the attention of Government been drawn to the *Tanganyika Opinion* of the 4th August, 1933, pages 2, 3 and 4 publishing a memorandum under the heading "Kenya Leaders Memorandum on White Demands", which purports to be a memorandum submitted by the leaders of the Kenya Indian community to the President of the East African Indian National Congress on the subject of Kenya White Demand for control of finances of the Kenya Government ?

(b) Has the attention of Government been drawn to the Presidential Address delivered at the Kenya Indian Unofficial Conference to consider the serious situation, which is published in the *Tanganyika Opinion* of the 4th August, 1933, at page 6, under the heading "President's Revealing Address at Mombasa" ?

(c) Has the attention of Government been drawn to the Resolutions passed at the Indian Unofficial Conference held at Mombasa, which are published in the *Tanganyika Opinion*, at page 5, under the heading "A Challenge to the Kenya White Demands" ?

(d) Do Government realize that an overwhelming serious situation has arisen in Kenya in regard to the future status of the Indian settlers in that colony ?

(e) Are Government prepared to make representations to the Government in London on the subject of relieving the tension ?

Mr. G. S. Bajpai : (a), (b) and (c). Yes.

(d) and (e). The attention of the Honourable Member is invited to the Press Note on the subject issued on the 11th August, 1933.

DEMAND FOR CLOSER UNION OF EAST AFRICA INCLUDING TANGANYIKA WITH KENYA.

873. ***Mr. Gaya Prasad Singh** : (a) Has the attention of Government been drawn to a leading article under the heading "Closer Union Menace", at page 10 of the *Tanganyika Opinion* of the 11th August, 1933 ?

(b) Are Government aware of the situation arising out of the Kenya Whites' Demand for control of colonial finance and Closer Union of East Africa including Tanganyika with Kenya so as to give them an over-riding voice in the East African Government ?

(c) Are Government aware that the Indian community of Tanganyika are opposed to any kind of Closer Union of the mandated territory with Kenya ?

(d) Will Government be pleased to inform this House as to how far negotiations have been carried on with the Imperial Government up to now on the subject of the Closer Union of East Africa and the question of white self-government in Kenya ?

Mr. G. S. Bajpai : (a) and (c). Yes.

(b) I would invite my Honourable friend's attention to the Press Note to which I have just now referred.

(c) So far as the Government of India are aware, His Majesty's Government contemplate no departure, in the matter of Closer Union, from the decision announced in July, 1932.

PERMISSION TO MR. SAILENDRA NATH GHOSE, AN EXILE, TO RETURN TO INDIA.

874. ***Mr. Bhuput Sing :** (a) Will Government be pleased to state whether their attention has been drawn to the letter of Mr. Sailendra Nath Ghose, President, Indian National Congress, America, addressed to Mr. S. C. Mitra, as published in a Free Press message from Simla, dated the 27th July, 1933, requesting him and his colleagues in this House to take interest in his case so that he may, on his giving reasonable undertakings, come back to his motherland and contribute his share to her improvement under the new Constitution ?

(b) Have Government received any communication from the Secretary of State for India, asking for their opinion on the desirability or otherwise of allowing him to return to this country ?

(c) When, why and under whose orders had the exile taken place ?

The Honourable Sir Harry Haig : (a) I have seen a reference to this in the Press.

(b) The Secretary of State is not prepared to accede to Mr. Ghose's request.

(c) I would invite the Honourable Member's attention to the reply given by me to Mr. Gaya Prasad Singh's question No. 788 on the 20th March, 1933, to which I have nothing to add.

Mr. S. C. Mitra : Will Government allow the gentleman to come to India and then launch a prosecution under any section of the Penal Code ?

The Honourable Sir Harry Haig : His Majesty's Government do not consider it desirable to give this gentleman passport facilities for returning to India.

Mr. S. C. Mitra : Do not the Government consider that this gentleman might create troubles for Great Britain in other countries than India ? If he is really guilty, why not prosecute him and convict him in a court of law ?

The Honourable Sir Harry Haig : I do not think even the gentleman himself is anxious to come here and be prosecuted and punished, because one of his requests is for an amnesty.

Mr. S. C. Mitra : May I tell the Honourable Member that the man is anxious to come here and take the consequences under the laws of the land ? He has written to me.

The Honourable Sir Harry Haig : That is not in accordance with the letter which I saw, which was addressed either to the Prime Minister or to the British Ambassador in Washington.

Mr. S. C. Mitra : May I take it that Government have no objection if the man comes here and is willing to accept any punishment that may be inflicted upon him by a competent Court of law ?

The Honourable Sir Harry Haig : No, Sir. The decision, when this matter was last considered, was that the Government at Home are not prepared to give him facilities for returning to India.

ISSUE OF NEW TEN-RUPEE AND FIVE-RUPEE CURRENCY NOTES.

875. *Mr. Bhuput Sing : (a) Will Government be pleased to state the reasons for which the new ten rupee and five rupee notes were issued ?

(b) Why is the paper of the new notes inferior in quality to that of the old ones ?

(c) Are Government aware that these notes run a greater risk of becoming mutilated and unfit for use than the previous ones ?

(d) What was the cost of preparation of each note previously and what will it be now ?

The Honourable Sir George Schuster : (a), (b) and (c). The attention of the Honourable Member is invited to the reply given to starred question No. 338 asked by Mr. Badri Lal Rastogi on the 1st of September, 1933.

(d) Exact figures are not available; but it is anticipated that the total saving in the cost of preparation of ten and five rupee notes will amount to at least four lakhs per annum in a normal year.

READING ROOM ASSOCIATION OF AN INDIAN RAILWAY SCHOOL AT JAMALPUR.

876. *Mr. Bhuput Sing : (a) Will Government be pleased to state whether there is a Reading Room Association of Keshabpur M. E. East Indian Railway Behari School at Jamalpur attached to the said school ?

(b) If so, is it a fact that one anna is realised from each student as subscription for increasing the stock of books of the said Reading Room ?

(c) Is Babu Palakdhari Singh, Secretary of the Reading Room ?

(d) Are Government aware if :

(i) any account is kept of the said Reading Room by the Head Master of the School and the Secretary of the Reading Room ;

(ii) there is any stock book at present of the Reading Room ;

(iii) the stock book maintained by the Ex-Secretary, Pandit Madan Jha is preserved ;

(iv) it is a fact that this has been changed and alteration and interpolations have been made now and then ?

(e) Was any enquiry directed into the affairs of the Reading Room recently ?

(f) What were the remarks made by the Inspector of Schools, Bhagalpur Division, in his forwarding note to the Director of Public Instruction, Bihar and Orissa, regarding the present Honorary Secretary of the School and Babu Palakdhari Singh, teacher ?

(g) Was any note submitted by Babu Sambhu Prasad Singh, now a discharged teacher of the school, to the Inspector of Schools, Bhagalpur, directing attention to the mis-managed state of affairs of the Reading Room and to some important matters regarding Babu Palakdhari Singh ? If so, what action was taken on this ? Will Government be pleased to place a copy of the said note on the table ?

Mr. P. R. Rau : Government have no information but I have sent a copy of the question to the Agent, East Indian Railway, for any action he might think it necessary to take.

REJECTION OF APPLICATIONS FOR APPOINTMENTS FROM THE SONS AND RELATIVES OF POSTAL OFFICIALS OF THE CALCUTTA GENERAL POST OFFICE.

877. ***Mr. D. K. Lahiri Chaudhury :** (a) Is it a fact that applications for appointments from the sons and relatives of the postal officials working at the Calcutta General Post Office, who are inhabitants of the Dacca, Rajshahi or Chittagong Divisions, are rejected by the Presidency Postmaster, Calcutta, on the ground that they are not inhabitants of the revenue divisions adjoining Calcutta ?

(b) Is it a fact that the Director General has issued such an order ?

(c) If so, do Government propose to relax this order, allowing sons and relatives of the postal officials to get appointments in the Calcutta General Post Office ?

The Honourable Sir Frank Noyce : (a) Government have no information.

(b) and (c). The Director General has laid it down as a general principle that candidates for the subordinate postal and telegraph services must belong to the revenue divisions in which they desire to enlist. Heads of Circles are, however, empowered to exercise their discretion should local conditions make this necessary. The Honourable Member's suggestion will however be considered and suitable supplementary orders will be issued giving Heads of Circles more latitude.

RETENTION IN CALCUTTA OF BABU ASWINI KUMAR CHOWDHURY, TOWN INSPECTOR OF POST OFFICES.

878. ***Mr. D. K. Lahiri Chaudhury :** (a) Is it a fact that there is a standing order to the effect that Secretaries of the Postal Unions will not be transferred within one year of their election as Secretary ?

(b) Are Government aware that Babu Aswini Kumar Chowdhury, a Town Inspector of the Calcutta, General Post Office, has been elected as Honorary Secretary of the Calcutta Postal Union ?

(c) Is it a fact that he is likely to be transferred out of Calcutta due to abolition of selection grade Town Inspectors' appointments in Calcutta ?

(d) If so, are Government prepared to provide for him in one of the existing vacancies of the selection grade supervisors in the Calcutta General Post Office, so that he can be retained in Calcutta ?

The Honourable Sir Frank Noyce : (a) The order, relating to Secretaries of recognised associations, is substantially as stated by the

Honourable Member, but exceptions are permitted in the interests of service.

(b) and (c). Government have no information.

(d) A selection grade Town Inspector has, on the abolition of his post, to be transferred to the cadre of sub-divisional Inspectors and Head Clerks to Superintendents of Post Offices and not to the selection grade cadre of the general line. Government therefore regret that they are unable to accept the Honourable Member's suggestion which would be unfair to the men in the general line.

REPLACEMENT OF SELECTION GRADE TOWN INSPECTORS OF POST OFFICES AT CALCUTTA BY TIME-SCALE MEN.

879. ***Mr. D. K. Lahiri Chaudhury** : Is it a fact that Government have decided to replace the selection grade Town Inspectors of Post Offices at Calcutta by time-scale men ?

(b) Is it a fact that the Calcutta Postal Union made a representation to the Presidency Postmaster, Calcutta, to appoint senior time-scale clerks as Town Inspectors ?

(c) Is it a fact that in spite of the representation from the Union the Presidency Postmaster has appointed some junior men as Town Inspectors ?

(d) Are Government prepared to see that senior clerks are appointed in these posts ?

The Honourable Sir Frank Noyce : (a) Yes, in common with selection grade Town Inspectors at all other places.

(b) to (d). Government have no information. The matter is entirely within the discretion of the Head of the Circle to whom a copy of the question and of this reply is being sent.

FORWARD POLICY OF GOVERNMENT ON THE NORTH-WEST FRONTIER BORDER.

880. ***Mr. M. Maswood Ahmad** : Will Government be pleased to state their policy in connection with the forward policy adopted on the North-West Frontier border ?

Mr. B. J. Glancy : The policy of the Government of India is to maintain the peace of the border and foster good relations with the tribes in the hope that in time civilisation will spread gradually through the tribal area. For further particulars regarding this policy, I would invite the attention of the Honourable Member to the speech made by Sir Denys Bray on the 5th March, 1923, in this Assembly.

REPORT OF THE TARIFF BOARD ON GLASS INDUSTRY.

881. ***Mr. A. Das** : (a) Is it correct that the Tariff Board submitted its report on the glass industry in the United Provinces to Government early in 1933 ? If not, when do they propose to submit it ?

(b) If the reply to the first part of (a) be in the affirmative, have Government considered the report ?

(c) When do they propose to publish the same ?

(d) Why has there been so much delay in its publication ?

The Honourable Sir Joseph Bhore : (a) The Report was submitted in March, 1933.

(b), (c) and (d). It is still under the consideration of the Government of India. In the meantime, representations have been received from the glass industry for protection under the Safeguarding of Industries Act, 1933, and these are under examination.

MOTION FOR ADJOURNMENT.

ALLEGED SCURRILOUS ARTICLE IN THE *Daily Gazette* RE MAHATMA GANDHI.

Mr. President (The Honourable Sir Shanmukham Chetty) : I have received a notice from Mr. B. R. Puri that he proposes to ask for leave to make a motion for the adjournment of the business of the House today for the purpose of discussing a definite matter of urgent public importance as follows :

12 NOON.

“ The unsatisfactory replies given on behalf of Government to starred question No. 787, asked by Mr. Lalchand Navalrai, relating to a scurrilous article in the *Daily Gazette*, dated the 18th August last, and the attitude and policy of Government as disclosed by those replies.”

I have to inquire if any Honourable Member has any objection to this motion.

The Honourable Sir Joseph Bhore (Leader of the House) : Sir, I am obliged to you for informing me as to which notice I am to reply to. My Honourable friend, Mr. Puri, has, I think, given notice of a number of motions—three altogether—and I was a little uncertain as to which of these we had to deal with. Judging from the number of these notices, my Honourable friend, I think, was not sure of his ground and I venture to submit that there is some reason for his anxiety. In so far as his motion relates to the alleged unsatisfactory replies given by Government yesterday, I submit that it is, in accordance with the ruling of the Chair given recently, out of order. The question to which those replies relate must itself be related, according to your ruling, Sir, to a matter of recent occurrence. This question, Sir, has reference to the publication of an article which, I understand, saw the light of day on the 18th August. I submit, therefore, that in virtue of your own ruling this is not a matter of recent occurrence within the meaning of Rule 12. But, in whatever form my Honourable friend, may have couched his notice, what he really wants, I submit, is to discuss the alleged unsatisfactory replies which were given yesterday. In attempting to go behind the ruling of the Chair, I venture to submit that that has made his case very much worse. The urgent matter which he now suggests should be discussed is the attitude and the policy of the Government in respect of the administration of certain enactments of this Legislature. Now, that policy did not come into existence yesterday or last month or last year. It is the normal policy which has been adopted by the Government of India for a considerable time. That policy, therefore, I submit, is not a matter of recent occurrence within the meaning of Rule 12 of the Legislative Rules. What my Honourable friend really means to do is to attack the Government for not having directed the Local Government to launch a prosecution in respect of an article which was published so long ago as the 18th

August. I submit that it was open to my Honourable friend or any Member of this House to have obtained information and to have made this motion on the first day of the Session or immediately thereafter. In this connection, may I read your own ruling which, I think, is entirely relevant to the present case :

“ If Honourable Members are not in full possession of the facts with regard to a particular case and if no short notice is taken of that, what they should do is actually to ask for the leave of the House to move the adjournment motion and then ask the leave of the House for permission to waive objection on the question of urgency until full facts are available to all Honourable Members. If that course is adopted and, if the Chair is satisfied that it is a proper case, necessary permission could be given to move the motion on a later date.”

Sir, for these reasons, I submit that the motion is out of order.

Mr. B. R. Puri (West Punjab : Non-Muhammadan) : Sir, after hearing the Honourable the Leader of the House in the short speech in which he has given us the benefit of his view as to the interpretation of the rule which governs the admissibility of the motions for adjournment of the House, I confess I feel quite unconvinced of the force of his objection. I am not seeking the adjournment of the House on the ground that the Government yesterday, on the floor of this House, tendered unsatisfactory replies to a certain set of questions which were put to them. Let it be very clearly understood by the Government that I am not asking the permission of the House for the adjournment of the House on that ground. Nor, Sir, am I seeking the adjournment of the House on the ground that, as far back as the 18th August, there was a particular article of a particular character which was published in Karachi in a particular paper. I am not seeking, again I submit, the adjournment of the House on that ground, because that would not be a recent event. I would be wholly out of court if I sought, at this time of the day, after the Assembly has been in Session from the 22nd of last month, to grant me permission to discuss a matter which I could have brought to the notice of the House on the very opening day of the Assembly Session. I confess that I will be wholly out of court if I asked this “ adjournment ” on any one of these grounds. The ground on which I am seeking the adjournment of the House is very simple and I will ask the Honourable the Leader of the House to note my words, *i.e.*,—“ the attitude of Government, as disclosed by a certain set of replies which were given yesterday ”. Now, the interpretation of the Honourable Member of the “ policy ” of the Government is that, it cannot be recent and it must be deemed to be spread over a long time and cover a very wide area both in space as well as in time. That, is perhaps correct, and if I had confined the ground for my adjournment motion merely and solely to the “ policy ”, perhaps, I might have been out of court again. But, Sir, the “ attitude ” as distinguished from “ policy ” is a definite act and I request this House to appreciate the distinction between the “ policy ” and a particular “ attitude ”, which is a specific act and a specific incident, and which in the present case came to the light for the first time yesterday in the course of the interpellations. My Honourable friend has misconceived the identity of the word “ matter ” as used in the Standing Order. The confusion has arisen, because Government think that I am seeking to have a certain “ matter ” discussed, which in fact I am not. I am not seeking to discuss the unsatisfactory nature of the replies nor

[Mr. B. R. Puri.]

the publication as such of a certain article. What I in fact propose to discuss is the "attitude" of the Government which came to light for the first time to our great amazement and horror, namely, that the Government, under the circumstances disclosed, were not prepared to interfere in the matter and were to treat the whole incident with supreme indifference. That, Sir, is the true position and, I submit, that my motion is perfectly in order.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions : Non-Muhamadan Rural) : My Honourable friend, Mr. Puri, has made it clear that the object of his motion for adjournment was to censure Government on their failure to exercise their powers of superintendence, direction and control in this very important matter as disclosed in the reply to the question yesterday. We all expected that when this particular matter was brought to the notice of the Government of India, they would exercise their powers of superintendence, direction and control when the Bombay Government had failed in the discharge of their duties. It is this particular attitude of the Government, as has been clearly explained, that is at issue and it is an urgent matter of public importance and, I submit, that this motion should be allowed.

Mr. President (The Honourable Sir Shanmukham Chetty) : The first objection raised by the Honourable the Leader of the House to the motion is based upon a ruling given by the Chair not very long ago that the mere unsatisfactory nature of the reply to a question will not by itself be a sufficient ground for moving the adjournment of the House irrespective of the original subject matter with which the question was concerned. So far as that objection is concerned, the Honourable Member, Mr. Puri, has made it clear that it is not his intention to censure Government on this motion merely on the unsatisfactory reply that they gave to the question. The Chair takes it that the reference to the unsatisfactory reply in the motion is only by way of explanation to what follows in the motion itself, namely, the attitude and policy of Government as disclosed in that unsatisfactory reply. So, the Chair has now to decide as to whether an adjournment motion for the purpose of censuring Government on their attitude and policy, as disclosed in a certain reply, is in order under the rules. The Chair has to find out whether it is a definite and urgent matter of public importance. Now, the attitude of Government in this respect is certainly a matter of public importance, and it is also definite, because, the Chair takes it that it is the intention of the Honourable the Mover to censure Government for their failure to exercise their powers of superintendence and control (Hear, hear) in the matter which, in their opinion, seriously affects the peace of the country. To that extent, therefore, the question sought to be raised is definite. It is urgent, because that policy and attitude were disclosed only yesterday to this House. On a previous occasion, on the 21st March, 1929, an adjournment motion to discuss the policy of the Government in sanctioning wholesale raids and arrests in different parts of India was held to be in order. That shows that though generally the policy of the Government cannot be considered to be one of recent occurrence, occasions may arise when the policy and attitude of Government may become a matter of urgent public importance. The Honourable the Leader of the House said that this policy of Government did not come into existence yesterday and was not a matter of recent

occurrence. It is quite possible that Government might have consistently followed this policy to their knowledge, but that knowledge might have come to the possession of the House only yesterday. Therefore, under those circumstances, this motion is in order. (Applause.) As objection has been taken, the Chair would request those Honourable Members, who are in favour of leave being granted, to rise in their places.

(More than 25 Members stood in their places.)

Mr. President (The Honourable Sir Shanmukham Chetty) : As not less than 25 Members have risen, I declare that leave is granted and that the motion will be taken up for discussion at 4 P.M. this afternoon.

The House will now resume discussion on the Reserve Bank Bill.

THE RESERVE BANK OF INDIA BILL.

Mr. Gays Prasad Singh (Muzaffarpur *cum* Champaran : Non-Muhamadan) : Sir, when I was speaking yesterday, I was trying to develop the point that the establishment of a State Bank was conducive to the best interests of the country. As the proposed Bank will have to transact extensive business in different directions, the confidence of the people will not be secured if the Bank is a private bank with shareholders. The work of currency and exchange ought, in the fitness of things, to be the concern of the Federal Government and of the Federal Legislature. Therefore, any institution of this kind which is divorced from the control of the Federal Legislature will not be acceptable to the people of this country, and will not be conducive to their interests. With reference to this point, I should like to give the opinion of Mr. John Maynard Keynes. In his book on "Indian Currency and Finance", 1924 edition, at page 235 he says :

"At the present time the arguments in favour of a State Bank for India are very strong, far stronger than they were in 1867 or even in 1898. The Government have taken over so many of the functions of a Central Bank that they cannot wisely neglect the task. The note issue of growing importance, the management of the Government's cash balances, the regulations of the foreign exchanges, all these are controlled together and treated as a whole."

Afterwards he has summarised in the next page the arguments in favour of a State Bank. I am not going to burden my speech with any further quotations with regard to the arguments which Mr. Keynes has advanced. Recently, I understand, Mr. Keynes, in his memorandum to the Chamberlain Commission, had urged that the Central Bank for India should be a State Bank and not a Shareholders' Bank. Sir, none among the financial experts in this country seems to favour a Shareholders' Bank. Mr. C. S. Rangaswami, a financial expert of reputation, in his article which was contributed to the *Roy's Weekly*, dated 4th September, has urged the establishment of a State Bank and not a Shareholders' Bank. In the course of that article, he says :

"The first is the problem State Bank *versus* Shareholders' Bank. On this issue, to urge the virtues of a State Bank is futile and profitless as, from the beginning, the Government of India have been opposed to a State Bank and the London Committee has unanimously decided in favour of a Shareholders' Bank. However, developments, subsequent to the London discussions, are of a character as to necessitate a more careful consideration of this question. The *Financial News*, in Air Mail week, has referred to a scheme which the present Conservative Government are contemplating with a view to make the Bank of England assume a form midway between its present status as a Shareholders' institution and the dream of the Socialists of a nationalised central banking institution."

[Mr. Gaya Prasad Singh.]

* Even if we assume for a moment that there are virtues in a Shareholders' Bank of this nature, I would suggest that the State should have at least a moiety of the shares in this Shareholders' Bank, or it may be free to buy up the shares when necessary at some future date. There should also be a restriction that the shareholders should not be allowed to transfer their shares to non-nationals. Such a restriction exists in similar Banks of many other countries in the world. In the Netherlands, Denmark, Czecho-Slovakia, etc., voting rights are exercised by nationals of the country, and, in the charter of the Lithuanian Central Bank, it is provided that foreigners cannot hold more than one-third of the capital. A further safeguard provided by certain charters is that only nationals are eligible to hold office in the Central Bank. There is no such restriction in the proposals made in the Bill. Then also there must be a clause that the majority of the Directors must be Indians or of Indian domicile. Sir Basil Blackett, when he introduced his Bill in 1927, conceded this point. In the official report of the Legislative Assembly, dated the 30th August, 1927, he stated as follows :

“ May I say that I shall be perfectly willing to add to the draft amendments I have that no one, who is not an Indian or a British subject ordinarily resident in India, should have a vote.”

So I take it, this point has been conceded by Government themselves, and I am surprised to find that there is no reference to it in the Bill presented now by the Finance Member. The other point to which I should like to refer is the agreement with the Imperial Bank. It is proposed that the Imperial Bank will act as the sole agent for the Reserve Bank. This will add to the patronage which the Imperial Bank enjoys at the hands of Government, and the position of the indigenous banks of the country will be precarious. The indigenous banks require special facilities for development, and I should think that there should be some suitable provision inserted in any agreement which might be entered into between the Reserve Bank of India and the Imperial Bank, safeguarding the legitimate interests of the indigenous banking system. I should like also to ask why it is proposed to confer this benefit only on the Imperial Bank of India. It is also proposed, Sir, that the Reserve Bank of India should have no branch of its own in London and that it should transact its business through the London branch of the Imperial Bank. This also is open to objection. The Imperial Bank is dominated by European interests, and the interests of the indigenous banking organisations in this country will not be adequately protected if the proposal for the agreement with the Imperial Bank is carried into effect.

I would next refer, Sir, to the ratio question which also finds a place in the report of the London Committee. I have no desire to dig up the buried bones of a dead controversy which raged round this question a few years back, but I must say that the suggestion not to reopen this question is one which cannot be accepted in the best interests of this country. Now, Sir, in the Mansfield Commission report which was submitted as far back as 1866, this question was dealt with at some length :

“ The Commission was appointed by the Government of India on the 3rd February, 1866, with Sir William Mansfield as Chairman, and it was the first of its kind set up in India. The Commission distinguished itself by making as early as 1866 two important recommendations, *viz.*, (1) the introduction of a ‘ universal note ’, and (2) the introduction of a gold currency. The first recommendation was carried out in 1909, when, for

the first time, the five-rupee note was made 'universal' for the whole of India, the second recommendation forms the subject of acute controversy and doubt at the present time."

I am referring to a very useful book, "The Monetary Problems of India" by Mr. L. C. Jain, which I would commend to Honourable Members for perusal.

The Herschell Commission in 1892 recommended the ratio to be fixed at 1s. 4d. What does the report of the London Committee state on this point? They say as follows:

"We consider that the only sound course for India is to remain on the sterling standard. On that basis the exchange obligations incorporated in the Bill must necessarily be in accord with the rupee sterling ratio existing at the time when the Bill is introduced."

Sir, I will now refer Honourable Members to some of the proposals of the London Committee. They recommend that a minority of the Board should be nominated by the Governor General in Council under the present Constitution, and by the Governor General at his discretion under the new Constitution. Sir, the Governor General in Council at the present moment is not constitutionally responsible to this House, while the Financial Minister of the future will be responsible to the Federal Legislature as well as to the Federal Government, and I see no reason why this discrimination has been sought to be made in this particular recommendation. The Committee also recommends that the first appointment of Directors should be made by the Governor General in Council. This also is open to very serious objection. Why should Directors be appointed by the Governor General in Council? If this is to be a Shareholders' Bank, the shareholders themselves must have the power to appoint their own Directors.

There is also one point to which I should like to make a passing reference. It has been claimed by my Honourable friend, the Finance Member, that the proposal in the Bill that the different Indian States should fall into different geographical areas is an improvement. I submit, Sir, that it is not an improvement as it is made to appear. Formerly the Indian States were, if I remember aright, proposed to be included only in the Delhi province, where they could have exercised their influence in the selection of Directors; but now, under the present proposal, the influence of these States can be exercised in all the five geographical areas into which this country is sought to be divided, and their influence will be exercised more or less over the whole field of those areas. In that sense also, this proposal does not seem to be an improvement. There is another proposal that the profit of the sale of gold must belong to the Reserve Bank. My opinion is that the profit of the sale of gold must belong to the State. The Reserve Bank may utilise that money by way of loan, but the proprietary right of the profit must belong to the State and not to the Reserve Bank. As to the other recommendation of the Report, as regards the appointment of the Governor and Deputy Governor or Deputy Governors, the majority of the London Committee hold that the Governor General in his discretion should be the appointing authority when the new Constitution comes into force. Here, again, the Committee have made a distinction between the Governor General in Council under the present Constitution and the Governor General alone in his discretion in the future Federal Constitution. The minority of the Committee, however, hold that these appointments should be made by the Board of Directors subject to the

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approval of the Governor General. The opinion of the minority seems to be an improvement upon the proposal set forth by the majority on this point.

There is only one little point which I should like to raise before this House. Why is this hurry for the establishment of a Reserve Bank in India far in advance of the time when the Federal Legislature is supposed to come into existence and to be functioning ? The Secretary of State for India said that central responsibility depended upon the proper functioning of the Reserve Bank. I should like to know what inherent connection there is between responsibility at the Centre and the functioning of the Reserve Bank. Sir Tej Bahadur Sapru, Mr. Jayakar and others protested against this position being assigned to the Reserve Bank with regard to the future Constitution of India. The Reserve Bank, as I stated at the outset in my speech, on proper lines would be an institution which we should all welcome ; but, framed as it is, it is open to objection on different points. I have merely tried to indicate some of the points to which objection might be raised. The Reserve Bank must be a Reserve Bank, in the proper sense. It should not be a preserve bank to preserve the vested interests of foreign capitalists. The proposal, as adumbrated in this Bill, seems to make it a sort of preserve bank and not a Reserve Bank.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : Sir, the Honourable the Finance Member, in introducing this Bill, said that he was following the precedent set up by his predecessor in the matter of the procedure he was adopting ; and, then, he moved a motion for referring this Bill to a Joint Committee of both Houses. If he proposes to follow precedent, I may also request him to have 28 Members on the Joint Committee as on the previous occasion, and not 24 as now proposed ; and I hope he will agree to this number being added.

The Honourable Sir George Schuster (Finance Member) : If that is the general view of the House in the course of this debate, speaking on behalf of the Government, we should be perfectly prepared to adopt that course, and I should ask you, Sir, in due course to allow an amendment to that effect to be moved.

Mr. T. N. Ramakrishna Reddi : I am thankful to the Government for accepting this small amendment. It is with great trepidation that I have to oppose the motion of my revered friend, Mr. Vidya Sagar Pandya, who is a doyen in the financial world, for sending out this Bill for circulation. If I differ from such a great authority, it is only on some valid and substantial grounds. My first ground is that an identical Bill which was introduced in 1927 was sent for circulation and there is already abundance of public opinion that has been expressed upon it which can be had if Members require it. Again, if it is said that much time has elapsed since then and that so many tremendous changes in monetary values have occurred in the world subsequent to that time, my reply is that it is very recently that the Government appointed the Banking Inquiry Committee, composed of very able financiers, including, Sir, yourself, which went about the country, made a thorough inquiry, examined witnesses who were experts in financial matters, and published

their report ; and even that report strongly recommends the establishment of a Reserve Bank as the only panacea for all the ills to trade, commerce and agriculture this country is suffering from.

These are not my only grounds for my pressing for taking up this Bill immediately. I have got stronger grounds. I am an agriculturist, and I represent the interests of the agriculturists. Nobody will deny the fact that India is pre-eminently an agricultural country, and many millions of the people depend upon the good prices they get for their agricultural products. In such an agricultural country as India, there is a seasonal demand for the expansion of the currency. Expansion of currency is necessary only in some particular seasons, when there is abundance of crop in the hands of the farmer and the crop requires to be moved from one place to another so that the producers may get good prices for the crops. A Government which does not do banking business and which is only a currency authority is not expected to know the seasonal conditions or the seasonal demands for the expansion of the currency. It is only a bank which does credit operations that can understand the position. The bank note issue generally is based upon the business transactions, and it will expand or contract according to the seasonal needs and hence a bank, like the Reserve Bank, which is entrusted not only with credit operations, but also with the issue of currency, is very necessary, because it will be in a position to know the seasonal demand for expansion of currency. Mr. Kisch in his book on "Central Bank" says this :

"Government are not as sensitive as a bank to the conditions in the financial and commercial world."

It is the bank that is the barometer to judge the necessity for this expansion. Hence, Sir, a bank, such as is proposed to be established, is quite essential for India.

There is, again, another reason why the agriculturists want a Reserve Bank to be established at as early a date as possible. We all know that the Government collect *kists* just about the time when the agriculturists get their crops on hand. I do not know the conditions obtaining in other provinces, but, in my Presidency, the collection of *kists* begins from December and goes up to April. That is just the time when the agriculturists get their crops on hand and they have to pay their *kists*, and, therefore, they have to sell their crops at whatever price they can get, and it is exactly the time when the creditors will also sit tight over them and collect their dues. Therefore, the poor agriculturists are forced to sell their produce at whatever prices they can get to pay up the Government dues as well as to satisfy their creditors. At present the Government are carrying on their collection work by means of treasury operations. Of course, the Imperial Bank is authorised to open branches and to undertake treasury transactions on behalf of the Government, but yet, Sir, at present there are only about 100 or 120 branches of the Imperial Bank, and they are very small in number when compared to the vast size of the country. Therefore, almost all the taxes that are being collected go to the treasuries with the result that crores of rupees have been withdrawn from circulation and locked up in these treasuries, and this money ultimately perhaps goes to the coffers of the Secretary of State and then lent out in the United Kingdom at favourable rates of interest. However, that

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may be, the net result is that so much of the currency has been locked up in these Government treasuries, and there is a contraction of the currency in the country. When there is a contraction of the currency, as every economist knows, prices of commodities will go down, and hence it is the agriculturist who suffers from this contraction. On the other hand, if all this money is placed in the hands of the Central Bank, it can again flow out of the bank and get into circulation in its transactions with the farmers with its creditors or with other banks. Thus the money will be in circulation in the country itself, and it will tend to raise the price of agricultural produce. For all these reasons, Sir, I strongly recommend that there should be a Reserve Bank established in this country as early as possible.

Then, Sir, the Honourable the Finance Member, while introducing the Bill yesterday, said that it had been agreed that the Bank, if it was to be established, should be free from political influences, and the Report of that packed Committee of London had also stated in paragraph 3 that they fully accepted the principle that the Reserve Bank should be free from any kind of political influence. But, Sir, neither the Report nor the Honourable the Finance Member has explained to us what that "political influence" means. If it means that the Assembly or its representatives or the politicians of the country, who have no knowledge of financial matters, should not interfere with the day to day working of the Reserve Bank that is to be set up, than I entirely agree with the Finance Member that such influence is not beneficial for the good of the working of the Reserve Bank; but if it is meant that there should not be even a single representative of this House, however eminent he may be in the financial world, or as the Report wants, it should be a Shareholders' Bank and not a State Bank, then, in that case, I beg to differ. How can it be free from political influence at all? The constitution of the Bank, as disclosed in this Report or in the Bill, clearly states that the Governor General with the help of his Ministers at present will appoint a Governor, a Deputy Governor and four Directors out of perhaps 15 Directors. So I ask, are not the Government of India a political body? And a Governor General, while exercising the powers of nominating, has necessarily to consult his Cabinet and the Secretary of State, and the Secretary of State is responsible for the good government and also for the moral and material progress of this country to the Parliament. Sir, the future Governor General has to exercise so many powers that it is not possible for any human Governor General to exercise all those powers. It requires really a super-human Viceroy or Governor General to exercise all those powers. Unless he has two attributes out of the three that are associated with God, that is omnipotence and omniscience, it is impossible for any Governor General to exercise all these powers.....

Mr. B. Das : You are forgetting the Financial Adviser.

Mr. T. N. Ramakrishna Reddi : Even with the help of his advisers, the Governor General will not be able to exercise all these powers properly. Therefore, it is no use saying that the future Bank should be free from political influence. There will certainly be political influence exercised in one way or the other.

Then, Sir, one point was not made quite clear by the Honourable the Finance Member yesterday in his speech. He merely said that the Reserve Bank should be free from political influence, and this Report attempts a sort of definition of what kind of that political influence is. In the second sentence of the third para. of the Report, it is said :

“ The best device which the practical experience of other countries has evolved for achieving this object is that the capital of the Bank should be held by private shareholders ; and we recommend that this plan should be adopted as in the case of India.”

Putting these two statements together, one will come to the conclusion that a bank to be free from political influence should be only a Shareholders' Bank, and not a State Bank. So, if we accept this motion for reference to a Joint Select Committee, then it might be understood that we have accepted the principle of a Shareholders' Bank, and not a State Bank...

Some Honourable Members : No, no.

Mr. T. N. Ramakrishna Reddi : If that is not so, I should be very glad, but I should like the Government Member to make the point clear whether the Joint Select Committee will be allowed to discuss the principle whether it should be a State Bank or a Shareholders' Bank.

Mr. B. Das (Orissa Division : Non-Muhammadan) : It is not a principle.

Mr. T. N. Ramakrishna Reddi : That is how I understood from the speech of the Honourable Member and that is why I want to make that clear,—whether the question is open for discussion whether it should be a State Bank or a Shareholders' Bank. If it be so, then I am for the reference of this Bill to a Select Committee where the Chairman will not be in a position to tell the members of the Committee that, since they have accepted the principle, they ought not to discuss the question that it should be a State Bank. I want the Honourable the Finance Member to make that point clear, because, on that point, depends the vote of my Party. As a matter of fact, my Party has discussed this question and we have decided that we will give our vote if the Select Committee is permitted to discuss this question whether it should be a State Bank or a Shareholders' Bank.

At this time we are not called upon to discuss the detailed sections of the Bill. There are only two important questions to be discussed at this stage. It is of great interest whether the future Bank will be a State Bank or a Shareholders' Bank, because it is agitating the minds of so many people already. It does not require a great financier to discuss the question whether it should be a State Bank or a Shareholders' Bank. Every one can use his reason and his common sense and arrive at a conclusion. Applying these two tests, I find that it is monstrous that we should entrust the heavy responsibility of the destinies of this country in the matter of currency and finance into the hands of a few shareholders who will contribute a share capital of five crores of rupees though they may have to deal with many crores of rupees in daily transactions.

An Honourable Member : Shareholders do not lay down policy :

Mr. T. N. Ramakrishna Reddi : I mean the Directors who are appointed by the shareholders, and it is much worse, because it is a smaller body. I am not in favour of entrusting such heavy responsibilities to the

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representatives of a few shareholders who happen to purchase shares to the extent of Rs. 5 crores. From the agriculturist's point of view, I cannot look at the prospect with equanimity, of a certain number of shareholders, who form a coterie, being entrusted with the currency policy of the country. According to this Bill, the value of a share is Rs. 500, and it is only a person who purchases two shares that is entitled to exercise his vote. This means that the person must invest at least Rs. 1,000 before he can exercise his vote. As I said, the Bank will be entrusted with a heavy responsibility and will be given ample powers in the matter of dictating the policy of the currency and finance of this country. Trading and commercial interests, represented by my Honourable friends like Mr. Mody and Sir Cowasji Jehangir, would be the first to take advantage of it and to purchase as many shares as it is possible under the circumstances. Under this Bill a limit is placed upon the number of votes a person may exercise, but there is no limit fixed for the number of shares he can purchase. 6 per cent. interest on investment is a very tempting proposition for financiers like Mr. Mody and Sir Cowasji Jehangir and they would not grudge investing lakhs and lakhs of rupees in this concern.

Mr. H. P. Mody (Bombay Millowners' Association : Indian Commerce) : Unless the Bank gives us overdrafts, I do not think we will be able to purchase them.

Mr. T. N. Ramakrishna Reddi : And thus, ultimately, the destinies of our country will be in the hands of a coterie. On account of the high price of shares and the ignorance that prevails amongst the agricultural community, the agriculturists will not be in a position to take advantage of it and to purchase many shares of the Bank. Hence their point of view will not be properly represented in the Directorate. I am conscious that the Governor General has got power to nominate agricultural interests to make up the deficiency. That will be only one or two, and then they will be in a minority. So, ultimately the policy of the Bank will be dictated by the Directors elected by shareholders who are mostly men from the trading and commercial interests. The interests of trade and commerce are divergent from the interests of agriculturists. The trading interests will want to purchase agricultural produce cheap, whereas the agricultural interests will want to get as much price for their produce as possible. So the interests of the trading and commercial communities are different from those of the agricultural community. If the policy of the Bank is to be entrusted to Directors, who are elected by these shareholders, then it will be dictated by those interests, and so they would withdraw currency when they want to purchase agricultural produce cheap. That is why, as an agriculturist, I view with apprehension the high price of a share of the Bank. The old Bill provided Rs. 100 per share which was more helpful to the agriculturists.

An Honourable Member : You are a lawyer.

Mr. T. N. Ramakrishna Reddi : I have given up law for the last three or four years ; I am purely an agriculturist.

There is another ground why there should be a State Bank and not a Shareholders' Bank. It is said that if it is a Shareholders' Bank, the shareholders take very great interest in the management of the Bank and it will be free from Governmental interference. Yesterday, Mr. Vidya Sagar Pandya pointed out in his speech how the shareholders took interest in the

management of the Imperial Bank of India. According to him, very few attend any meetings and their interest ceases after electing Directors of the Bank. Again, when once the Directors are elected, they hold their office in free-hold-in-perpetuity, and thus the policy will continue for ever and ever. If that is the interest which the shareholders take in a Bank, where they can expect higher and higher dividends, I wonder what kind of interest the shareholders will take in a Bank which fixes the maximum dividend that can be declared at 6 per cent. only. They are sure, that

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with so many privileges which the Reserve Bank enjoys as the dictator of the currency and credit system of India, they would get their own dividends and, when they are sure of that, they will not take any interest at all in the management of the Bank. So it is mere bunkum to say that the shareholders will take any interest in the Bank after they have elected the Directors. If it were a State Bank, all the interest or the dividend that this Bank earns would go to the Government Treasuries and that might lighten the burden of tax on the people. I do not want that this interest should be earned by the shareholders. They can as well invest the five crores of rupees in other industries and commerce and earn more money and thus enrich the country. On that consideration also, I want that the Bank should be a State Bank and not a Shareholders' Bank. We have got the experience of the management of railways by private companies, and the experience that we have gained does not encourage us in the belief that the future Reserve Bank, if it is to be a Shareholders' Bank, will work very satisfactorily. The representatives of the people have urged on the Government to take back the management of the railways to the hands of the State, and important lines have already been taken up by the Government and it is only on account of financial stringency that the other railways have not been purchased. With that experience, I have no belief that a Shareholders' Bank will serve the interests of India better than the State Bank. Again, it is said, that the whole idea of the establishment of a Reserve Bank is that the control of the Government should be removed and that it should be restored to the representatives of the people and that the Government of India should have no influence at all. But, Sir, as I have said, it is impossible to divest the influence of the Government of India from the working of this Bank. As I said, the Governor General will have a great voice in nominating the Governor and the Deputy Governors and others. As a matter of fact, the whole administration of the Bank will be in the hands of the Governor and the Deputy Governor who are nominees of the Governor General and, hence, it is impossible to escape the influence of the Government in the working of the Bank. I may state that we are not so much afraid of the influence of the Government of India as of the influence which the Secretary of State wields over the head of the Government of India in the management of financial and currency affairs of this country. If left to themselves, I do not think the Government, whether it is an irresponsible Government as it exists now or a Government with a semblance of responsibility in the future, will conscientiously do anything against the interests of India. We are only afraid of the influence that the Secretary of State may bring to bear on the Government of India. That is what we want to avoid. We had an experience recently when England went off the gold standard. Immediately on hearing this, the Honourable the Finance Member, with the first impulse of the dictates of the best interests of the country, promulgated an Ordinance divorcing the rupee from the sterling. The very next day, the Secretary of State for India, who has the interests

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of his own country at heart, made the Government here pass an Ordinance abrogating the previous one and also linking the rupee with the vicissitudes of the sterling. It is that influence that we want to avoid. After all, it is very difficult to divest the Government from any political influence. After all, it is the Legislature that is creating the Bank. It is the child of the Legislature and it is bound to carry some heritage of its creator. For all these reasons, I think that it should be a State Bank. I may tell you that in 1928, when this Bill was introduced and discussed, the Select Committee unanimously recommended a State Bank and the then Finance Member accepted the principle of a State Bank and the Banking Inquiry Committee also recommended a State Bank. The whole country wants it and I do not understand why the London Committee, which was a packed Committee, came to another conclusion that it should be a Shareholders' Bank, with the honourable exception of Lala Ram Saran Das.

I shall now say a few words about the constitution of the Bank. This country is peculiarly situated. Here the interests of the Britishers have been strongly established and it is impossible to eliminate any representation of the European commercial and mercantile interests in the future working of the Reserve Bank. But, though we are not opposed to a small representation, we require,—if the Government succeed in persuading us that it should be a Shareholders' Bank,—that the Directorate must be predominantly Indian and it should subserve the interests of only Indians. In this connection I would like to quote one or two lines from the speech delivered by you, Sir, when you were on these Benches. You said :

“ Unfortunately, the history of currency in this country has brought to the forefront this fact, that the interests of India, as understood by Indians, are very different from the interests of India, as understood by the European community. I would, therefore, impress the necessity for making ample provision to entrust the control of the Reserve Bank to Indian hands, people who know the interests of India best.”

Sir, it is said that there should be no representation of the Legislatures on the Directorate, because that would bring in political influence. As I said, the Directorate should not be dominated by the representatives of the Legislature, but there should be some provision for some sort of representation of the Legislature if it is to redress any deficiency. Supposing there are great bankers and financiers like Mr. Vidya Sagar Pandya and Sir Purshotamdas Thakurdas in this Assembly ; then, on account of such restrictions, they would not find a place on the Directorate of the Bank. In order to restore or redress any such deficiency, there should be a provision that there should be some representation, though it may be one or two representatives, elected from the Legislature. If it is thought that their remaining in the Legislature, after being Directors, will be construed to be a political influence, then a provision might be made that they might resign the membership of the Assembly in order to become a Director. Some such provision ought to be made in the Bill.

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Urban) : May I point out, Sir, that, so far as I can see, there is nothing in the proposals at present which will stop what the Honourable Member proposes to do. Any Member of the Legislative Assembly, who chooses to become a Director of the Bank and is ready to resign his seat in the Assembly, can do so under the present proposals.

Mr. T. N. Ramakrishna Reddi : From the reading of the Bill I understood that no representation should be made from the Assembly.

Sir Cowasji Jehangir : There cannot be any representation from this House as such, but any Member of this Assembly can offer himself to be appointed a Director or to be elected a Director and he can then resign immediately.

Mr. T. N. Ramakrishna Reddi : I see there is a provision to that effect. Sir, the Honourable the Finance Member, in regard to the relations between the Reserve Bank and the Imperial Bank, said that the new agreement should be made with the Imperial Bank on the lines suggested by the old Bill. He commended to our acceptance the provisions contained in the Third Schedule to this Bill which practically reproduces the provisions that were contained in the original Bill. The circumstances have since changed. At that time, when the old Bill was under discussion, the agreement between the Imperial Bank and the Government had to run three more years. Under that agreement, the Imperial Bank had to do certain functions ; they had to help the development of trade and industries of this country. They must develop the banking habits of Indians by taking in more Indians as apprentices or giving employment to more Indians and also by encouraging indigenous banks....

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Member may resume his speech after Lunch. But before the House adjourns for Lunch, the Chair would appeal to Honourable Members that, though technically there is no time limit to speeches on a legislation, in view of the importance of the measure and the restricted time at our disposal and the great number of members of different Parties who are anxious to take part in the debate, Honourable Members will do well to impose upon themselves a reasonable time limit. The Chair does not want to unnecessarily restrict the right of any Honourable Member to speak as long as he likes, but the Chair would regretfully point out that it has already observed a tendency for very tedious repetitions of the same arguments by Honourable Members. If the Chair finds that tendency again, it will have to prevent Honourable Members from indulging in repetitions.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. T. N. Ramakrishna Reddi : Sir, after what has fallen from the Chair just when we were rising for Lunch, I would put upon myself a time limit and bring my remarks to a close. At that time I was stating that the Government expected certain things to be done by the Imperial Bank and, further, according to the terms, the Government required the Imperial Bank to do treasury business on behalf of the Bank. In return for this work to be done by the Imperial Bank, the Government were allowing large cash balances to remain with the Bank free of interest. At times, the average balance would amount to nearly 20 crores. Some time last year, I moved a Resolution in this Assembly for the appointment of a Committee to enquire into the working of the Imperial Bank in all its branches. At that time, I dealt with, in detail, how the Imperial Bank had failed to come up to the expectations of the Government and how it

[Mr. T. N. Ramakrishna Reddi.]

proved to be a menace or rival to the indigenous banking system and how it brought in racial discrimination in the matter of disposing of applications for credits. At that time, the Honourable the Finance Member, in reply, stated that all these things would come up for consideration when we came to discuss the Reserve Bank Bill sometime later on. On that assurance, I withdrew my Resolution. The whole period of contract has now elapsed and now we are establishing a Reserve Bank in India and there are absolutely no grounds for extending any sort of privilege to the Imperial Bank now. According to the Bill, it is contemplated to place nearly five crores with the Imperial Bank free of interest. No valid reasons are urged by the Government why this privilege should be extended to the Imperial Bank even after the contract period has come to a close. The only reason, if at all, that the Imperial Bank would urge, is that it has opened branches to the extent of about 120 as per terms of the contract and that, on that ground, the Government should extend this privilege. But, according to their own admission, most of the branches are now paying concerns except a few branches which are lying in outlying parts ; and, hence, if this privilege is extended to the Imperial Bank, it will have a dominating position and it would be a perpetual menace to the indigenous banks in India. The Government should try to develop the indigenous banking system, and if they extend this abnormal privilege, it will not tend to the development in that direction. The Bill provides that the Imperial Bank should act as a sole agent for the Reserve Bank in all places where the branches exist. Here also there is a discrimination against indigenous banks. I should like to suggest that wherever there are indigenous banks or their branches, a sort of tender should be called for for doing the work of the Reserve Bank and no such discrimination should be made in favour of the Imperial Bank.

One point more that I should like to urge, before I conclude, is this. According to the provisions, each Bank, which comes under the Schedule of the Reserve Bank Bill, will have to deposit 10 per cent. of the cash balances with them in the Reserve Bank. That will be an unnecessary curtailment of the working of the indigenous banks which usually work on their bare margin and hence that provision also should be modified in the way of permitting each bank under the Schedule to deposit as much amount as is convenient for the bank to spare. I hope all these points will be considered by the Select Committee. If the Honourable the Finance Member is prepared to give an assurance that all these points would be dealt with in the Select Committee, then, I, for my part, and on behalf of our Party, can say that we will be in favour of accepting the motion before the House.

Mr. H. P. Mody : Mr. President, my Honourable friend, the Finance Member, expressed satisfaction at the fact that towards the close of his career, it had fallen to his lot to pilot a measure of this character.

The Honourable Sir George Schuster : No "satisfaction".

Mr. H. P. Mody : Do I understand my Honourable friend to say that he does not feel any satisfaction in piloting this measure ? I suppose he puts it down to some of the speeches which he has heard. Anyway, I congratulate my Honourable friend that it has fallen to his lot to pilot this Bill and, if I may say so, I regard it as a fitting culmination of his five

long and anxious years of office that it should have been his good fortune to be on the way to place on the Statute-book such a very important measure. (Hear, hear.)

Mr. B. Das : How on the Statute-book ?

Mr. H. P. Mody : Yes, with such amendments as my Honourable friend succeeds in introducing.

Now, Sir, two Honourable Members, who addressed this House at considerable length, had something to say about the nature of the Committee which was appointed, and which deliberated on this measure in England. My Honourable friend, Mr. Pandya, said that he did not know what the qualifications of those gentlemen were and that they were not at any rate elected by the House ; and my friend, Mr. Reddi, also suggested that it was a packed Committee and that he did not see what its qualifications were. Considering that most of the Indian members of the Committee, members who belong to this House, happen to be Leaders or Deputy Leaders of the parties, groups and grouplets that exist in this House, I do not know whether it is the intention of my Honourable friend to suggest that their Leaders and Deputy Leaders do not possess their confidence.

Mr. Gaya Prasad Singh : And incidentally supporters of the Ottawa betrayal.

Mr. H. P. Mody : What does my Honourable friend know about Ottawa ? The only word he knows is "betrayal". But I have a warm regard for him in spite of his idiosyncrasies and I would advise him in his own interests not to betray such crass ignorance about things. There are matters beyond my Honourable friend's ken ; to put it in a homely way, the shoemaker to his last.

Sir, I was saying that we in this House have some experience of how members get elected or selected to various committees. And I doubt very much whether the selections made by Government were any worse than this House itself might have made if the choice had been left to it. I hope, therefore, it will not lie in the mouth of any Honourable Member to suggest that we, who went to England, were not representative of this House or did not know what we were talking about.

Now, let me go on to the Bill. Let the House clearly understand that by the very fact that we are going to set up a Reserve Bank in India, the millenium is not going to be ushered in. Every important country today has got some sort of Reserve or Central Bank, and, in spite of that, currencies have tumbled down and the whole credit system has collapsed. It is only in Great Britain that the credit structure has stood and, even there, if I may venture to suggest a rather novel point of view, I would not say that it was largely or entirely due to the operations of the Bank of England, even though the Bank of England is the bedrock of finance all over the world ; I would say that it is largely due to the conservatism of the people and to the financial genius of the City that the structure of England has stood as solidly as it has done. Therefore, by the mere fact that we are setting up a Reserve Bank in India, we must not think that we are setting up a machinery which will make impossible any fluctuations of the exchange or which will bring absolute stability to the finances or the credit structure of India. But the

[Mr. H. P. Mody.]

Reserve Bank will do a great deal even without attempting this. Amongst the many functions of the Reserve Bank, when it is properly established, will be to increase the banking power of the country, to provide against undue rigidity or expansion of credit, to co-ordinate governmental and business finance, to assist member banks during times of crisis, to free the financial mechanism of the country, both from the control of big business and of officialdom, and to help in a sense to reduce foreign indebtedness. The Reserve Bank will do something even more, and that is, it will carry on open market operations as and when required, a matter in which Government somehow or other have never been able to take their courage in their hands. After all, what are the two weapons which Reserve Banks employ in all countries? Rediscounting of bills and open market operations. In India, as is very well known, the bill market is in a very undeveloped condition, and the only way in which a Reserve Bank can and should function is by open market operations calculated to reduce the volume of credit or to enlarge it as and when the occasion arises. All these are very important functions, and I think that if the Reserve Bank is properly established and if it has got the right sort of directorate, its influence on the fortunes of India will be enormous. The only doubt that arises in my mind is whether this is quite an opportune time for setting up a Bank. It seems to me that if the choice had been left to us it is just possible that the Bank would not have come into existence at this particular stage. But, after all, we have no choice in the matter. It was beyond the ken of the Committee which went to England to question whether the time had arrived for setting up a Reserve Bank. Either by the Round Table Conferences or by some other body or authority it was laid down that a Reserve Bank was a condition precedent to the establishment of financial autonomy and to the establishment of Federation. It was stated that the Reserve Bank would have to be successfully functioning before financial autonomy could be conceded to India or before Federation could be brought into existence. Therefore, Sir, there was no choice, and today we find ourselves in the position of having to devise ways and means to set up a Bank on sound lines.

Now, Sir, a great deal has been said in the course of the last two days on the question whether it should be a State Bank or a Shareholders' Bank. My objection to a State Bank is that I do not want the control of the State over the Reserve Bank's operations. I do not want that rigid sort of control which would necessarily be exercised by the State if, for instance, it held all the capital. And what I should like my Honourable friends to remember is that even though this may be a Shareholders' Bank and the State may technically have nothing to do with it, it is a matter of common knowledge that the State in every country, where there is a Shareholders' Bank, has an enormous influence on the operations of the Bank. Take even such a strongly entrenched institution as the Bank of England. The Bank of England has very close relations with the Treasury, and, while the Bank of England is technically in a thoroughly independent position and can defy the Treasury if it wants to, the co-operation between the Treasury and the Bank of England is so close that it may almost be said that the State has a hand in the regulation of the affairs of the Bank of England. I

should like my Honourable friends to remember that, by merely putting up a Shareholders' Bank, we are not doing away altogether with the control of the State or the Finance Member. If he knows his business, he will have a direct influence upon the way in which the operations of the Bank are carried on. Now, Sir, I quite understand certain objections being raised to a Shareholders' Bank, but those objections have been sought to be met by us in the Bill which is the result of the report that we have put up. One of the objections which naturally arises in the mind is that if there is a Shareholders' Bank, then naturally the profits, that ought to go to the State and form part of the general revenues, are diverted to a lot of shareholders who had the good fortune to have got hold of a few shares. We have provided against that, and we have laid down the ultimate limit at 6 per cent. I may say that I would have gone a little further than my other colleagues and I would have reduced it still further, because of the prevailing money rates in the country today. As regards individual holdings, we have tried to ensure that no one section can exercise an undue influence upon the deliberations of the Directorate; and through the medium of regional holdings and through the fact that no shareholder can have at the very outside more than ten votes, we have I think successfully secured that end. But it is just possible that our calculations may be upset, the reasoning upon which we have based them may be found to be unsound after a few years; and, therefore, I would be prepared to concede that an opportunity should be given at some stage to determine whether a Shareholders' Bank is the right sort of bank, and, therefore, I would be inclined to favour the suggestion that after a term of years the State might have the option of buying up the shares, and at that time, of course, the composition of the Directorate would also have to be revised. That suggestion has been made and I think that there is something in it which might well be explored in the Select Committee.

The next point that I would like to deal with is the constitution of the body. It has been laid down that the Governor shall be appointed by the Governor General at his discretion under the new Constitution. I have differed from that view. I put up a suggestion before the Committee, a suggestion to which I still hold, and that is that the proper way of appointing a Governor of such an important institution is by the Directorate with the approval of the Federal Government; and I went further and said that if these two bodies failed to come to an agreement, then the Governor General at his discretion might appoint the Governor. My reasoning was this: here is the Directorate of the Reserve Bank: before ever it is called upon to appoint a Governor, it may be a few years during which it will have quite sufficient experience. That body, I say, would have enough experience to make it possible for a right selection to be made; but there again I impose the approval of the Federal Government, and I say if these two very competent bodies, namely, the Directorate with its experience and the Federal Government with all those larger considerations which are ever present to the mind of a Government but which may not be present to the minds of a small body or an individual, if between these two they agree upon the choice of one man, then I say that that man may be presumed to be the right sort of person. I, therefore, disagreed with what is laid down in the Committee's Report, and is to be found in the Bill, namely, that the Governor should be appointed at the discretion of the Governor General.

[Mr. H. P. Mody.]

Now, about the Directors : I realise too well that the mere process of selection by a number of people who have acquired shares in the concern is not the most ideal way of getting hold of the best man. I feel particularly that with the limitation which has been imposed, namely, that the Director should not belong to the Legislature, that he should not be a member of any other Bank, that it will be extremely difficult to get the right sort of man. That is my view. But I do not think it lies in the mouth of my democratic friends here to question the principle of selection at the hands of what might be called a popular body. They have always fought for the right of election and here they have got it : let them at any rate not cavil at it. So far as I am concerned, I realise that it is not the best method ; and I made a suggestion, again turned down, and which in fact did not find any supporter almost ; and that was that while you give the right of nomination to the Governor General and while you give the right of selection to a number of shareholders, you ought also to give three or four seats, or at least two, to recognised commercial bodies and associations which would at any rate ensure that the member who represented them would have the proper equipment for the task of a Director of such an important institution. I do not know whether that suggestion is going to find any more favour here than it found there ; but I do feel that it is one which requires to be explored, and which ought not to be rejected, so to say, out of hand.

I now go on to another subject, and that is the subject of the link to sterling and the ratio which I see is being vigorously ventilated in various commercial bodies and in the press.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions : Muhammadan Rural) : You said you would refer to the Finance Minister in the future Government coming into this scheme of yours : how does he come in ?

Mr. H. P. Mody : As I pointed out, the Finance Member is always in touch with the Governor and Board of the Reserve Bank : they are bound to consult him at every turn, and while it may not be statutorily laid down, if my Honourable friend will see what other countries are doing, he will come to realise that there is always a close connection between the Treasury and the Central Bank of a country. I was speaking with regard to the linking of the rupee to sterling and the ratio. So far as I am concerned, my Honourable friends know what my views are with regard to the linking of the rupee to sterling. You will remember, Sir, that in 1931, when Great Britain went off the gold standard, we tabled a Resolution which we carried by an overwhelming majority in this House, which was moved by yourself and which was seconded by me ; and we gave sufficient reasons, from our point of view, in the course of our speeches for holding that the linking to sterling was an unwise thing. I cannot say that that is not my opinion now : but I feel equally strongly at the same time that this at any rate is not the occasion for disturbing the *status quo*. I do not think that in a period of flux, when currencies and currency systems are being changed from day to day, a change of this vital character can be made without very considerable dislocation of the finance, industry and trade of the country ; and, therefore, in spite of all the criticisms that have been uttered in public, I hold very strongly that this, at any rate, is not the time for disturbing the position which exists. As regards the

ratio, I hold the same view. Nobody in this country, or at any rate only a very small section of the country, has ever had anything, but the utmost condemnation of the way in which the currency policy of the country has been managed and of the way in which the one and six ratio had been forced down our throats. I say, this ratio has brought untold harm to the country, and I do not care what other opinions are held. I think it is the considered opinion of anybody who understands anything about the trade, industry and finance of the country that this ratio has brought very great evils in its train. But, here, again, I say that we cannot sit down at a Select Committee table and say "Now this ratio is bad : let us see what ratio we are going to fix". That is not the way in which the ratio will be altered or will have to be altered. But I do feel at the same time that it is up to the Government to watch the situation very carefully and from day to day and revise their policy the moment it is found to be necessary. It is a matter of common knowledge that the Government of India would have been forced off the ratio had it not been for the very fortuitous exports of gold. I am not sure that before the Reserve Bank comes into operation, the Government will not have occasion to revise their policy and to consider whether the ratio ought not to be altered. I say that the Government ought to keep this public feeling in this country perpetually in view. They must have the courage to retrace their steps, to see the folly of their ways, and when it is realised that the ratio cannot be held together without serious detriment to the interests of this country, then they must immediately revise it. That is the meaning of the suggestion we have made....

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions : Non-Muhammadian Rural) : Is it not likely that the Reserve Bank, if it comes into existence, will prove an instrument in facilitating the revision of the ratio ?

Mr. H. P. Mody : My Honourable friend wants to know if it is not likely that the coming into existence of the Reserve Bank by itself will facilitate the reversion of the ratio. He is right in this sense, that when there is a competent body handling the credit structure of the country, if that body realises that the ratio cannot be held together without serious detriment, naturally the opinion of that body will have considerable weight with the Government. And I say, Sir, that the only meaning to be applied

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to the words which we have used in the Report, namely, that it is up to the Government and the Legislature to see that no undue strain is placed on the resources of the Bank,—the only meaning is that the Government must not hesitate to alter the ratio if they feel that the present ratio cannot be maintained without hurting the best interests of the country.

There is another point on which, I am afraid, I am again in a minority, it is rather a technical point,—and that is with regard to the proportion of the reserves which have been laid down in the Bill as the minimum reserve to be held against the note liability of the country. According to my reading of the situation, many countries are beginning to think that the minimum reserves which have been laid down by Statute are unduly restrictive of the operations of Central Banks, and the trend of opinion now is in the direction of reducing these minimum reserves with a view to giving greater power in the hands of the Central Banks to control the credit structure of the country. We have laid down a very high minimum

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reserve. It may be that it may serve to inspire confidence in the international money markets, but, at the same time, it may also be that at a later stage it may be found that it hampers to a great extent the way in which the credit structure of the country has to be handled.

There is only one other point, and that is with regard to the proposed arrangements with the Imperial Bank. We are not hostile to the Imperial Bank, but at the same time we must see to it that no arrangement is arrived at with that institution which is at all calculated to hurt the interests of the indigenous banks. A great deal has been heard in the last few years about the way in which the Imperial Bank has brought banking at the door of a great many people. That is perfectly true, but, I say, it is also true that if the Imperial Bank had not established itself in the places where it has now got branches, the indigenous banks might have found their way there. I can say from experience of a Bank of which I happen to be a Director—I say from experience, that the competition of the Imperial Bank, where both it and the indigenous banks have branches, has very seriously affected the interests of the indigenous banks. By all means strike a fair deal with the Imperial Bank, but the country will have to see that whatever arrangement is come to with the Imperial Bank is not of such a character that the indigenous banks, which are struggling against great handicaps to minister to the needs of trade and industry in places which the Imperial Bank cannot reach, are not seriously affected. These banks, which are performing such a useful function, should have a fair play and fair field, and if the arrangement that the Government propose to make with the Imperial Bank satisfies those conditions, I for one would not grudge an arrangement whereby the Imperial Bank is properly compensated.

These are points which will have to be considered in the Select Committee. All I will say is that it is a matter of very great importance to this country, even though this may perhaps be an unseasonable time for the setting up of a Bank, that the Reserve Bank should come into existence. It will establish the confidence of the public in the financial machinery of the Government. What has happened in the past is that no matter what operation has been undertaken by the Government in the way of contracting or expanding currency, we have been apt always to put it down either to the hand of Whitehall or to the hand of the British business interests. It may be that we have done an injustice to Government; but our experience has been so bitter that I think we may be pardoned for making that assumption which we have made in previous years. All that is going to be changed, and now the operations which the Reserve Bank will carry out for the purpose of regulating credit and currency—those operations, at any rate, will not be suspected and in the country there will be this confidence that the management of an important undertaking is in hands which may be trusted to look after the interests of India. A Reserve Bank will also be of importance from the international point of view. My Honourable friend says, and I think with legitimate pride, that the credit of India stands high today. But the credit of India will stand even higher when the Reserve Bank is established and is found to be functioning successfully.

For all these reasons, I ask my Honourable friends to consider this measure as one of great national importance. Let us all apply our minds

to the problem and regard it as one in which no party predilections or prejudices need enter, but as one in which we are all vitally and equally interested. (Cheers.)

Sir Cowasji Jehangir : Mr. President, I do not know of any Bill or any subject that has been more thoroughly discussed and considered than that of the establishment of a Reserve Bank for India. As we all know, there have been two Bills drafted, one actually considered by this Honourable House some years ago. These Bills were criticised, and were seriously considered by all interested in banking and finance in India, and today we have, let us hope at least for some years to come, the last of these Bills to bring a Reserve Bank into existence.

I think one of my Honourable friends complained that he had not had sufficient time to consider the very important proposals put forward by the Finance Member based upon the report of a Committee which sat only a few months ago in London. My answer to my Honourable friend is that he has had ample time to read, consider and digest the Bill of 1928 ; he has had ample time to do the same with the Hilton-Young Commission's Report ; he has had ample time to digest the Committee's report which was published some days ago. And, having considered and digested all those three documents, which a man in his position ought to know by heart—I claim he has no justification for now complaining to this House that he has not had sufficient time to consider this Bill.

Mr. Vidya Sagar Pandya (Madras : Indian Commerce) : 24 hours !

Sir Cowasji Jehangir : 24 hours are more than sufficient to consider a measure which he has had years to think over. What is this Bill ? It is based on the Bill of 1928. It is altered in certain respects by a Committee the report of which he has had for days in his hands....

Mr. B. Das : The 1928 Bill was never considered by this House. It was disallowed by President Patel.

Sir Cowasji Jehangir : It was not considered perhaps by this House, but surely it was considered by my Honourable friend, Mr. B. Das.

Mr. B. Das : No.

Sir Cowasji Jehangir : It was before the public ; everybody read it ; and does my Honourable friend contend that he only read the 1928 Bill for the first time 24 hours ago ?

Mr. B. Das : Yes.

Sir Cowasji Jehangir : Then he has no right to pose as an authority on banking or on the Reserve Bank ; he has no right even to speak before this Honourable House on a Bill of this kind. If my Honourable friend means to say that he has only read the Bill of 1928, 24 hours ago, I can only say that my Honourable friend has devoted his attention to political matters, to matters with which a Reserve Bank is not connected.

Mr. B. Das : I stand by the Joint Committee's Report of 1927, which my Honourable friend has omitted to refer.

Sir Cowasji Jehangir : Well, if he has gone through the Bill of 1927 and the Bill of 1928 and if he has gone through the Committee's Report which has also been in his hands for some days, I confidently say that the Bill presented by the Finance Member need not have been read by him at all. He could have made a speech on the strength of

[Sir Cowasji Jehangir.]

those three documents which would have been perfectly relevant to the Bill presented by my Honourable friend, the Finance Member. Therefore, I do not think, Mr. President, with due deference to my Honourable friends that there can be any real justification for asking for further delay.

Now, Sir, I have been, as you all know, a signatory to this Report and, with such reservations as are contained in that Report, I stand by it, but I regret that I have not much to say in reply to the speeches I have heard up to now, because I claim that nobody has really made out any strong point or argument against any of the recommendations. Now I will come to one suggestion in this Report which has really been contested. That is the question of a State *versus* a Shareholders' Bank. You are well aware that there are only two countries in the world which have got a State Bank. One is Australia, the other is Sweden. Even those countries are considering the position of their Reserve Banks. Not till 1929 or 1930 was the question really considered seriously by economists and by the greatest authorities in the world as to which was the more preferable, a State Bank or a Shareholders' Bank. The matter really became a matter of practical politics during the régime of the last labour Government in England, but I do not desire to go into great details as to why that subject became a matter of practical politics. To put it briefly, the late Labour Government and the Bank of England did not get on very well together and it is an open secret that perhaps the conservatism and caution of the Bank of England drove the Labour Government out of office. To put it shortly, the Government of the day in England wanted to borrow from the open market loans for purposes other than remunerative. There was uproar in the country. The Bank of England refused to help and it was only then that the question really became a matter of practical politics as to whether a State Bank or a Shareholders' Bank was the best thing for a country. I am firmly of the opinion that had England had a State Bank on that critical occasion in 1931, England, far from being in the solid position in which she is today, — top dog in the world of finance — England might have been a bankrupt country regretting that she had a State Bank bound to follow the lead given by the Government of the day.

Mr. B. Das : You are insulting Lord Snowden's memory.

Sir Cowasji Jehangir : I am not here to compliment either Mr. B. Das or Lord Snowden. I am here to relate the facts. Therefore, the question of a State Bank *versus* a Shareholders' Bank is really a question of whether you want an independent authority in this country, that can check Government when Government are liable to go wrong. I agree with my friend, Mr. Mody, when he says that perhaps some of the mistakes that Government made in this country would not have been made had there been a Reserve Bank. We do not want to try experiments again with our finances and, if there were no question of reforms in the immediate future, even if it was a question of reforms 10 or 15 years hence, I should be strongly in favour of a Reserve Bank, to be a check, to be a guide, philosopher and friend both to the Government and to the Assembly. We are in a unique position.

As many Members know, in India the Government, with the assistance of the Assembly, not only lays down the policy but Government are responsible for the management of currency and exchange. In very few countries in the world do Government perform these two functions and, considering the great responsibility that Government bear on their shoulders, is it right to ask them to perform both these functions? If they have blundered, they have done so, because they have had too much thrust upon them. You are asking them to do more than any other Government in a civilised country is asked to do. They have not got the men, the resources, the expert knowledge at their hands. The Reserve Bank is intended to supply that knowledge, that expert opinion, that experience of the world of finance which ought to be at the service of Government from day to day. A good deal of my Honourable friend's speech (Mr. Pandya), a very long speech, the first speech we heard on this Bill, consisted of an attack on the Imperial Bank of India. He gave us a most interesting history of the Directorate of the Imperial Bank. He went back to, I think, 1821 and he gave us all those facts and figures in order to show that a Shareholders' Bank is liable to fail, because the appointment of the Directors is in the hands of a clique, that members of the same firm year after year become Directors. He quoted men having been Directors for 15 years. I should have thought that in certain circumstances that was a good argument for a Shareholders' Bank. It shows that the Directorate have at their disposal at least men of experience, men who have served them for 10 or 15 years. But my Honourable friend seems to think that a constant change in the Directorate is good for a bank. I leave that to my Honourable friends to judge. Is it a good thing to have constant changes in the Directorate or in any commercial body whether it be a bank or any other industrial concern? He gave us the instance of my Honourable friend, Sir Purshotamdas Thakurdas, and complained that he was a Director of the Imperial Bank for the last 15 years and has been its President and Vice-President. I should have thought that we should be grateful to a man like Sir Purshotamdas Thakurdas for having served a public body—for, after all, the Reserve Bank will be public body—for 15 years by devoting his time and attention to the work of that public body and by becoming its President and Vice-President. My complaint is that there may be no continuity in the Directorate of the Reserve Bank. That is my fear, because the provisions of the Bill are such as to make it very difficult to get a continuity of the same Directors. The circumstances of the Imperial Bank and those of the new proposed Reserve Bank are totally different. There may be a block of shares in the hands of one individual which would give him great power. A man may hold 10 or 20 lakhs worth of shares and his proxy would be worth having. A number of such proxies in the hands of the Imperial Bank Manager is a great strength. Then, it is possible for him to say that the successor of such and such man shall be a partner in the same firm. But such a thing is impossible under these provisions. No man can have more than 10 votes, that is to say, a man who holds Rs. 10,000 worth shares will get votes equivalent to Rs. 10,000. For every share that he holds above Rs. 10,000 he gets no voting power. Therefore, if a man holds shares to the tune of ten lakhs in this Reserve Bank, he has the same voting power as a man holding shares of Rs. 10,000.

The Honourable Sir George Schuster : Rs. 5,000.

Sir Cowasji Jehangir : Yes, that is right, because a man gets vote for a share of five hundred rupees. Now, let me draw the attention of my Honourable friends here as to how it is possible for any clique, whether it be the Governor of the Bank or whether it be a clique of shareholders, to get certain Directors appointed year after year. They collect proxies and they go to the biggest shareholders. It is easy to do so when the Articles of Association enable a man to have large holdings with an equivalent voting power. In that case it is possible that a few proxies may mean the majority. Having those proxies in their pocket, they can defy all opposition from others who desire to get fresh blood into the Directorate. But that is impossible, nearly impossible, under the provisions of this Bill. I would like to see the management of the Bank or some shareholders trying to get proxies from men owning only up to a limit of Rs. 5,000 to enable them to get such a number of proxies as to make the election of A, B or C absolutely certain. Therefore, this argument that a Shareholders' Bank will make it possible to have a certain number of capitalists constantly in power is not a correct argument and, it is, in order to avoid that and to make this Bank broad-based upon the will of the people, a phrase very much abused, that this restriction has been inserted. Therefore, I think I may respectfully point out to my Honourable friend, Mr. Pandya, that his apprehensions are not valid. Now, Mr. Pandya says that they are based on his past experience. It may be so. I understand that he has been the Manager of the Hindustan Bank for 25 years and has been associated with three other Banks. If Mr. Pandya would give the names of his Directors and the number of years they have served on that Directorate, he may give us as interesting figures as he was able to read about the Imperial Bank. If that is his past experience on which he based his criticism, I maintain that the circumstances are totally different. It is possible that in his Bank a man could be a Director from the very establishment of the Bank till today. I think that is not possible in the case of the Reserve Bank unless the man is extraordinarily good and has the confidence of the people, because the shares of this Bank will be held by the people. It may have been the sad experience with my Honourable friend's Bank, the Bank of which he was the Manager, that he had to put up with old fogies, as he called them. But let me again repeat—I have repeated it three times already and now I repeat it for the fourth time—that it is not possible under the provisions of this Bill.

Now, Sir, so much for the State Bank *versus* the Shareholders' Bank. I presume I shall have the good fortune of perhaps addressing this Honourable House again on this subject. There is only one point on which I would like to refer. I am not going through this Bill, because there is little time at my disposal. We shall have further opportunities of doing so and I do not think that any point has been brought up which is of such importance that you would think it necessary for one of your members who was a member of the Committee to answer it. But there is one point I would like to bring to the notice of the House. That is the question of the ratio. Now, as we all know, there will have to be a clause in this Bill which will lay down the ratio, another as to whether we should be linked to sterling, to gold

or to the dollar. These clauses come into the Bill, because they are to be the instructions to the Reserve Bank as to what the policy of Government is with regard to exchange. Those instructions to the Reserve Bank are given through this Bill. We are not considering the policy of exchange when we consider this Bill. The main object of this Bill is to establish a Reserve Bank. It so happens that it is through this Bill that we have to give instructions to the Reserve Bank as to what the policy of exchange should be. Therefore, the only thing that we can do is to put into the Bill the ratio that may be in existence the day before the Bill comes into operation. Now, Sir, that does not mean by any means that all the signatories to the report agree with the policy of the Government with regard to exchange.

My Honourable friend, Mr. Mody, reminded you, Sir, of the Resolution which you moved when England went off the gold standard. He now says and I was rather surprised to hear it, he now says that this is not the time to make any change. Let me tell this House that so far as I can judge public opinion in India it is that 1s. 6d. ratio is wrong and that Government can with benefit to the country change that ratio. I do not say it can be reduced to 1s. 4d. or 1s. 3d. or 1s. 2d. It is not my purpose to express any opinion, but I must say that public opinion today is stronger than ever it was before, at least in my part of the country. (Hear, hear.) The public feeling is that the time has arrived when Government should give their most serious consideration to the question of ratio.

Mr. H. P. Mody : Does my Honourable friend suggest that I said that this ratio should not be changed ?

Sir Cowasji Jehangir : You did.

Mr. H. P. Mody : I only said at the Select Committee table. Surely my Honourable friend understands it.

Sir Cowasji Jehangir : Quite. When he said he had changed his opinion, I thought that he said that the present exchange should remain.

Mr. H. P. Mody : Nothing of the kind.

Sir Cowasji Jehangir : I am glad to get that contradiction. But, Mr. President, we all know that this ratio cannot be changed by legislation. There are constitutions which lay down that the policy of exchange can only be changed by Government by legislation ; that is the constitution in England today. The British Government cannot make a radical change without legislation, but what does the British Government do ? What did it do ? It took action overnight and then went to the Legislature to get it ratified. That is the only way in which the ratio can be changed in any country ; whatever the constitution may lay down, it is the Government and Government alone that can take action overnight and come before the Legislature and say " that we have taken the responsibility for doing what we thought was in the best interests of this country ; we ask you to ratify it ". But you cannot allow the Legislature to decide what the ratio should be, because speculation would be rampant and the country would be ruined long before you legislate. People would be speculating in every part of the world with your exchange. Therefore, whether it be this Government or whether it be any

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Swaraj Government in the future, the Government alone will have to take the responsibility of changing the ratio and presenting a *fait accompli* to the Legislature. Therefore, under these circumstances, it is evident that it was never intended that we, as a Legislature, should decide questions of exchange when this Bill was brought up. But it is perfectly in order, as you know, Sir, for me to discuss this question and I think it is a fitting opportunity to remind my Honourable friend opposite of the point of view of India of which perhaps he is well aware. But I do feel that we are safe in the hands of the present Finance Member and that he will give India's opinion every consideration. We cannot expect him at any time to express too definite an opinion, no Government can or dare express too definite an opinion, because speculation will become rampant.

Mr. B. Das : What about the safeguards in the White Paper about the fixity of ratio ?

Sir Cowasji Jehangir : I would only remind the House how sensitive the financial world is. A word or two from the Honourable the Finance Member is enough. Why, the Honourable Member opposite arrived in Bombay and he made a little speech or gave a little interview and Government paper leaped up two points the next day. Why ? Something escaped out of his lips which he never intended and the result was that the Government paper went up, but next day it came down again.

The Honourable Sir George Schuster : I do not think it came back.

Sir Cowasji Jehangir : I am very glad that the remarks of my Honourable friend have led to a couple of points rise in the Government paper, but it came back to the former level. Now, Sir, anything said by the Government Benches is taken up by the financial world in India or in other parts of the world, and people begin to speculate and, therefore, I am not going to ask my Honourable friend to give any definite opinion but I am going to request him to keep in mind public opinion on this question. Let us hope that even before the Bill comes before this Legislature again, the Honourable Member in charge of the finances of this country will have carefully considered the position. I am not going into details. The position has changed within the last two or three months as the Honourable Member well knows. It is changing every day and it may be that any big change in our ratio may have only a transitory effect. After all, it will have a beneficial effect even if it be for a short time. I will say nothing more about the ratio, Mr. President, as I do feel that although it is not absolutely out of order, it is irrelevant to the subject matter of the Bill.

Now, Sir, there is one important matter which the Committee have not really considered very carefully in England and that is what are to be the terms on which the Imperial Bank is to sever its connection with Government. I am not going into details, as these will have to be thrashed out in the Select Committee. It was deliberately left out of our deliberations in England because, at least, I felt, that India was a much better place to deal with this question than six thousand miles away. Speaking for myself, I do hope that every justice will be done to the Imperial Bank. I can only repeat what has been said so often in

England that we shall see that justice is done to our indigenous banks also and that the Imperial Bank, although I am a shareholder, shall not be a position in which it shall be able to crush all indigenous banks. Its capital is very large. I know the claims that they have put forward in connection with their capital. I am not going into details now. At least I am certain that the Select Committee will give all these points due consideration and I can only express the hope which, I am sure, will be fulfilled that the Select Committee will do justice both to the Imperial Bank and to the indigenous banks.

Mr. President, there are other reasons, as this House knows, why we should get on with this Bill and why a Reserve Bank should be established as soon as possible. There were many experts who told us last year and the year before that it would be impossible to establish a Reserve Bank for financial reasons on which I am not going to dilate. Let us thank those who have made it possible for a Reserve Bank to be established within the near future, and let us also thank all our friends who have helped us to bring this country to a position which is second to none in the world. Those pessimistic prophets who told us that it would be impossible to have a Reserve Bank have not turned out to be quite correct. Let us hope, before long Government will be able to completely prove that those prophets were wrong. I do not want to be too optimistic just now, but Honourable Members will realise that the position has considerably improved as is shown by the figures given by the Finance Member and that we shall not be building castles in the air when we express the hope that this Reserve Bank will begin to function,—shall we say,—before the Finance Member leaves this country or perhaps very soon after.

Mr. Jagan Nath Aggarwal (Jullundur Division : Non-Muhammadan) : Sir, the debate was losing an element of liveliness and interest when the Honourable Members from Bombay intervened and lent to it a certain amount of interest and flavour. We heard from the Leader of the Independent Party that the desire of our Honourable friends on this side for circulation of this Bill was wholly unjustified. He said that after reading the Bill of 1927 which had been discussed at very great length in this House and the Bill of 1928 which proved still-born and the Hilton-Young report all that was worth knowing was known and what was not known was not worth knowing ; and therefore it was wholly unnecessary to indulge in the luxury of a circulation motion. Well, Sir, may I remind my Honourable friend that between 1928 and 1933 the year 1931 intervened ? A good many economic theories and economic maxims have become heresies now.

Sir Cowasji Jehangir : I may point out that you have got the London Committee's report on the 1928 Bill which made certain amendments in the 1928 Bill and that Committee sat only a couple of months ago and the report has been in your hands for some days.

Mr. Jagan Nath Aggarwal : I was not at all forgetful of the great Committee which sat in London and of which my Honourable friend and Mr. Mody were luminaries and were signatories to the report. That fact I was duly conscious of. The point that I was making was that during this period 1928 and 1933 the great year 1931 intervened. A good many economic theories have collapsed and have become heresies and the desire of my Honourable friends who have suggested that this Bill should be

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circulated is by no means a desire merely of a dilatory kind, because, as you will notice, the only time that we have asked for circulation is up to December, 1933. If I may be pardoned for mentioning it, this Reserve Bank scheme comes before us as part of the scheme of Federation ; one of the essential preliminaries which must be satisfied before Federation is an accomplished fact in this land is that there must be a Reserve Bank. And if that is so, why should my learned and Honourable friend leading the opposition be in such a desperate hurry when we know from a telegram received today that the report of the Joint Parliamentary Committee will not be out before 1934, the Parliamentary legislation will take another year, and that one great consummation that a requisite number of States have to declare their assent to the instrument of accession to Federation is still a long way off. Why should we be in such a desperate hurry ? I refuse to believe that it is part of dilatory tactics to ask for circulation by December, 1933. Now, Sir, that the Indian public is much exercised in mind over this measure will be apparent to you from one or two considerations. You will notice that my Honourable friend pinned his faith upon the London Committee and the London Committee is supposed to have said the last word on the subject. I refuse to assent to any such proposition. Neither the Anglo-Indian commercial world nor the Indian commercial world thinks that the last word has been pronounced on the subject. My Honourable friend, Mr. Mody, may go into raptures over it ; my Honourable friend, Sir Cowasji Jehangir, may say that the last word has been pronounced on the subject ; but may I remind them that when they were taken to London and were faced with the proposition that this Reserve Bank has got to come as a preliminary to Federation and everything in London seemed as if this was the only stumbling block, would not that have weighed with the members of the Committee ? May I also point out that one Honourable Member of that Committee has appended a note of dissent, that he has given his adhesion to a State Bank rather than a Shareholders' Bank ? In this connection, Sir, I am tempted, with your permission, to read during the few minutes at my disposal the remarks of a paper which just came into my hands, the *Capital* of Calcutta. One cannot accuse this paper of any leaning towards dilatory tactics or of being anxious to cause delay in the consideration of a motion of this character. This is what it says in this connection :

“ Representative British and Indian opinion feels that the implications of the Reserve Bank on the trade and industries of the country would be so great that it is desirable to give the public a full opportunity to examine in detail all the proposals, and to that end it is essential not to rush the Bill through the Assembly during the next month but to circulate it for eliciting public opinion before taking the final step.”

Now, Sir, if that is what comes from the *Capital* of Calcutta, I do not see how my Honourable friend, Sir Cowasji Jehangir, could make light of such a motion. I submit with all respect that the implications of this measure are so great and the effect of it on the trade and industry of the country would be so far-reaching that it is just as well to have light from all quarters that we possibly can have, and this by no means savours of a dilatory motion. My Honourable friend, the Finance Member, was at pains to assure us that even in the Select Committee we will be seeking the help of experts and we would be prepared to consider the evidence of persons who would be called and give evidence before the

Committee. If that is so, I fully share his anxiety but I certainly do not see why some people should make light of the desire on this part of the House for a circulation motion and say that it is nothing but a motion of a dilatory character.

Now, Sir on of the questions that can be examined in the short space of time at my disposal is this controversy relating to the Shareholders' Bank and the State Bank. I do not like to speak as an expert in this matter because I am in these matters a layman ; but I should like to approach this question as a layman, and what has been the policy of the Government of India in matters of this kind ? When the previous Reserve Bank Bill was before this House it was felt that because the Government of India, the Secretary of State and the Finance Department of the Government of India had made mistakes and we had recent experience of huge mistakes having been made, it was felt necessary to have an independent body who should be in control of currency and exchange and who should control the credit of the country, and by that means it was thought that we would bring into existence an independent body who would be able to control the manipulations of exchange and currency and save the credit of the country. They would provide us with an independent body, with an expert body and not be led away by the red tape either of the Finance Department or the interests of foreign capitalists directing the policy from London. That was one of the reasons that was responsible for the introduction of the previous Reserve Bank Bill. Now, there is a suspicion—I call it a suspicion and no more—that the reason why this present Bill is coming up is not that you should have an expert body, but that you should have a body who would be free from the control of the future legislature of India to whom the destinies of this country are in a certain measure to be entrusted. I say it is a suspicion : proof of it is afforded in certain quarters ; it is pointed out that you are going to have a directorate on which in the first instance the Governor General in Council will be making nominations of four Directors and the Governor and the Deputy Governor. That is as it should be : the appointment is to be made by the Governor General in Council : in other words it would mean acting as the head executive in India with the consultation of his advisers. But this report tells us that thereafter the appointments shall be by the Governor General at his discretion. I would like to put it, as one of the previous speakers was at pains to tell us, that if the Finance Minister of the country knew his business and knew what he was about he would have a profound influence on the management of the Bank and on the control of the Bank. I would like to say, does not this savour of an attempt to deprive the future Finance Minister of having anything to do with the policy of this Bank ? That is a point which cannot escape the notice of those who are looking into this measure.

The previous speaker waxed eloquent on the merits of a Shareholders' Bank and the classic example of the Bank of England was put before us. In fact my learned friend went so far as to say that the reason why England was the top dog in finance at this time and has escaped the convulsions of 1931 was because of the existence of the Bank of England. He could as well have said that it was due to the existence of the Cabinet or to the existence of the British Navy or anything of that kind. I put it to him that the real cause why England has escaped is the determined character of the British and the boldness of its Prime Minister. The Prime Minister had no hesitation in breaking up his labour cabinet if they were not prepared

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to go all the way with him : he was bold enough to take the plunge, to take the nation with him and form a national cabinet. When that thing was done, the people thought Mr. Macdonald had written his own epitaph though somebody pointed out it would be a glorious epitaph. To say that it is the Bank of England that has saved the nation may be true in a sense ; but it would be true only in the sense that the Bank of England responded to the call of the Prime Minister. But what is there in the constitution of the Bank of England to say that they should follow the advice of the Prime Minister or that they should keep in touch with the treasury ? In fact the truth leaked out when my learned friend told us that the Bank of England was at loggerheads with the labour ministry. Would it not be fair to say that if the labour ministry had their way and had a large majority they would have nationalised the bank ? What is clear is that the last word has not been said on the subject. It is too early or in fact it is the last chapter in the history of Shareholders' Banks to say that they are the only institutions that can manage the currency and exchange simply because the Bank of England has done it. That is a fortuitous circumstance. It is an accident ; the result of conventions, or one might say, the result of the British character. There are so many things as we know : the Queen can create every one a peer or make every man a marshal ; but they are not done : it is the character of the nation ; and because the Bank of England as a Shareholders' Bank has succeeded, it is no argument to say that a Shareholders' Bank is the only thing in this world. In the few minutes at my disposal I will just examine the proposition from a layman's point of view. This Government of India, according to its previous tendency, has been going in the direction of a socialistic government in certain directions. We own forests ; I mean, the Government owns forests ; it owns mines ; and when it did not own the railways it has raised a good deal of capital and has come to own the railways : in fact it is taking power to acquire railways whenever they are built by private agency. There is a point underlying this policy, the point surely being that all objects of public utility which the State manages or in which the State has direct concern must be run for the benefit of the State also. All profits must go to the State, and in the management thereof national interests must predominate. If that is so, I will put it to you, is this management of currency and exchange and the monetary policy of the country such a trivial matter that we should mix up national policy with the policy of a private directorate ? I do not say it is wholly to be handed over to private directors : there are special redeeming features and the Honourable the Finance Member has taken good care to incorporate various suggestions in deference to the opinions expressed in this House in order to make it fairly broad based, *e.g.*, that you cannot have large accumulation of shares in certain hands, you cannot have large voting power concentrated in the hands of a few, and also the regional scheme of voting going far to make every part of the country interested in the inauguration of the Bank ; but I put it to you that taking it as a broad proposition if the affairs of the country are being managed in this manner, if in matters of supreme importance any concern is to be managed by the State, I put it to you respectfully why is it that we are afraid of having a State Bank ? This is a matter of such urgent importance that it well behoves us to discard old theories and to see if the current thought of the world is not in the direction of organising credit and finance

in various countries in the way of State management. My learned friend who preceded me told the House that there were only two places in the world where they had a State bank. I submit that this proposition is not strictly accurate. He referred to Sweden and Australia. If I may be pardoned for mentioning it, Russia has got a Central Bank which is a State institution and places like Latvia and two or three others are in that position. After the termination of the war, several banks that have been instituted are a mixture of the two schemes, of State Banks and private Shareholders' Banks. Therefore, I submit that it is certainly not a settled proposition as my learned friend took it that all that we can say at this time is that the Shareholders' Bank holds the field according to the theories of economists.

I need not say much in regard to the bank being free from political influence, because that is a topic which can keep one going for some time : the idea of this political influence seems to be to shut out political influence of a certain kind. If the Bank is broad based, all kinds of influence will be brought to bear upon it. But the point underlying this shutting out of political influence seems to be to shut out political influence of Indians as such. If that is so, I do not know whether the safeguard that has been devised by my Honourable friends at the London conference has gone any way to remove that suspicion. I submit that in a matter of this kind one has to be very careful. One has to see that all interests, agricultural and commercial and other, have to be represented and that the Bank really serves the national needs of the country. For that purpose I do not see why so much has been made of this shutting out of political influence. If it means keeping out Members of the Legislature I am happy. I do not grudge the Finance Member the credit for this policy ; if you only keep out Members of the Legislature I do not see much harm in it. But if by keeping out political influence is meant the keeping out of leaders of Indian thought, I certainly would not subscribe to that proposition. I have finished.

MOTION FOR ADJOURNMENT.

ALLEGED SCURRILOUS ARTICLE IN THE *Daily Gazette* re MAHATMA GANDHI.

Mr. B. R. Puri (West Punjab : Non-Muhammadian) : Sir, I move :

“ That the House do now adjourn.”

In order that the House may be in a position to appreciate the nature of the question involved in the present motion, I shall
 4 P.M. have to make some introductory observations to put the House in possession of necessary data. The ultimate issue which is involved in this motion, I am sure, the House will find, to be a very simple one. A certain article appeared in an Anglo-Indian daily which is published in Karachi, in its issue of the 18th August last containing most provocative and inflammatory suggestions against Mahatma Gandhi. It appears that this gentleman who is the author of the article is an Anglo-Indian who has taken into his head, and is a great believer in, the efficacy of the flogging system of punishment. On a previous occasion too he recommended to the Government of India that all the civil disobedience offenders should be flogged in order to put an end to that movement.

Mr. A. F. Ghuznavi (Dacca cum Mymensingh : Muhammadian Rural) : Is the article here ?

Mr. B. B. Puri : That article is not here, but the fact was asserted in the question itself, which question I shall presently place before the House. The question referred to is No. 787 which was put by my Honourable friend, Mr. Lalchand Navalrai, and the reply of the Home Secretary relating to this previous article was that the Home Secretary had no information regarding that. Thus the Government are not in a position to challenge or dispute the accuracy of the statement regarding this previous article. The most vital part of the article is contained in a couple of sentences which, with the leave of the House, I shall read :

“ Most people feel that Gandhiji should be well smacked on part of anatomy nature has specifically provided for the purpose.”

According to him, the only use for the buttocks in human body is to be flogged and for no other purpose. Now, mark the next sentence :

“ Unfortunately, he is too old for this type of treatment to prove of any use,—certainly his latest antic smacks of a silly old man entering his second childhood.”

I have omitted the earlier portion of the article although perhaps, in order to show the context, it may be useful, but since the clinching part of the article, the most offensive part of it, is the one I have read, I have confined myself to these two sentences only.

The policy of the Government came out unexpectedly as the result of various interpellations yesterday in a most naked form. And what is that policy ? That policy is a policy of complete indifference, of non-interference with anything which a Local Government may choose to do or omit to do. The Government of India, according to the replies which were vouchsafed yesterday, will not worry however much a Local Government may disregard its duties with regard to certain momentous questions. One thing which has very prominently come out in the answers which were given on behalf of the Government is that the Government refused to bring their mind to bear upon this article. Time and again, effort was made to induce the Home Secretary to consider and let us know whether, in the opinion of the Government of India, they are in a position to approve of this article, or to disapprove of this article, or to condemn this article. But the answer, Sir, which was given, was couched in the following words :

“ The question of the effect produced by an article of this kind is one which can best be judged by the Local Government who have power to take action against any articles that offend against the law.”

We know what the powers and duties of a Local Government are. But the question is, is this a proper discharge of the obligations and duties of a Supreme Government ? That is the true position with which we are confronted. This attitude, I submit, of complete indifference is likely to lead to very mischievous results, and it is on that account that we feel constrained to move today the adjournment motion and to give a warning to the Government that, when dealing with questions of such delicate nature, the attitude of the Government should not be such as was disclosed yesterday in answers to questions. The only thing which the Government of India was prepared to do, to use the words of the Leader of the House, was that the Government of India were prepared to transmit and to despatch the questions and answers which were being put in this House to the Government of Bombay. May I know what is the point of it ? How far will that carry us ? What is the virtue of this procedure which the Government of India are so graciously pleased to follow ?

Asked in another question : " Do you condemn this article ? " " No. " Asked : " Do you disapprove of the article ? " The answer was, it was either by the Leader of the House or by the Home Secretary : " The Government refuse to commit itself to any expression of opinion ".

The Honourable Sir Joseph Bhore (Leader of the House) : In justice to me, I think my Honourable friend might quote my reply. When Sir Cowasji Jehangir put me a question, I replied to him that if it was suggested that the article was in questionable taste, I would have no hesitation in agreeing with him on that point.

Mr. B. R. Puri : I will quote the very words of his reply. I will presently be able to lay my finger on the particular answer.

The Honourable Sir Joseph Bhore : Does the Honourable Member dispute the correctness of the statement that I have just now made ?

Mr. B. R. Puri : All I say is, it was either the Leader of the House or the Home Secretary who vouchsafed this answer that the Government of India were not going to commit itself to any expression of opinion. I say this, and I repeat it, and I am presently going to show it to the House from the answers that I have got in my hands. If only the House will have a little patience, I will be able to lay my finger on the answer, and I will just ask my Honourable colleague to find it out for me, and in the meanwhile I will go on.

Mr. T. Sloan (Government of India : Nominated Official) : May I say that I also said that I had nothing to say in defence of the article.

Mr. B. R. Puri : That is wholly beside the point. The question before the House is whether it was not deliberately stated on behalf of the Government that the Government of India were not prepared to commit themselves to any expression of opinion and whether this answer is not consistent with the answer which the Home Secretary has already vouchsafed with reference to the last three or four paragraphs of question No. 787.

Major Nawab Ahmad Nawaz Khan (Nominated Non-Official) : May I ask whether this article was written by way of joke or seriously, and how Mr. Gandhi has taken it.

Mr. Lalchand Navalrai (Sind : Non-Muhammadan Rural) : The Anglo-Indian Press never means to cut jokes.

Mr. B. R. Puri : My question was :

" May I know if the Government of India are now disposed, in view of the most flagrantly indecent character of this attack upon a very revered gentleman, to transmit to the Government of Bombay their strong condemnation of the article in question and not merely to be content with despatching the questions and answers. "

The reply of the Honourable Sir Joseph Bhore was :

" I cannot engage that the Government of India will commit themselves to any expression of opinion. "

I hope that this would satisfy the Honourable the Leader of the House who apparently, in the stress of his duties, had overlooked that he had committed himself in so many words.

The Honourable Sir Joseph Bhore : Will the Honourable Member read my reply to Sir Cowasji Jehangir's question ?

Mr. B. R. Puri : That is perfectly immaterial again. I undertake to show you your own answer. This is what you said speaking as a responsible Minister on behalf of the Government. I take my stand on that answer. These were the identical words used by the Honourable the Leader of the House. All that the Government of India are prepared to do is, under the circumstances, to despatch these questions and answers. What would be the advantage in doing that unless the Government of India were to send along with their despatch their own views and opinions as to what they think of this article. Otherwise the mere report of the questions and answers could very well be read by the Bombay Government officials from the daily press. As to the earlier incidents, the C. I. D. Department of the Bombay Government must have known that an article of this nature was published in the *Daily Gazette* as far back as 18th August. They also must have known that, in consequence of the most inflammatory character of that article, public meetings had been actually convened in Karachi, where the article had been very strongly condemned. Can the Government of India seriously maintain that the Government of Bombay are unaware of this incident ? Their eyes would only be opened by the Honourable the Leader of the House sending these questions and answers to the Bombay Government. Sir, this sending of questions and answers is the job of a mere post office clerk. Surely that is not the way in which great political obligations are discharged by a supreme Government. Now, Sir, I will show you what the Government are not prepared to do, so that you may be able to appreciate the extent of the apathy and the indifference to which the Government stand committed. In the first place, they say.....

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Member has just two minutes more.

Mr. B. R. Puri : It is not prepared to convey its condemnation of the article to the Bombay Government. The Government will not commit themselves to any expression of opinion. It is not prepared to consult its Law Department to find out whether the case does not fall under section 153A of the Indian Penal Code and also offends the Press laws. In this connection, I would ask the House to consider the suggestion which came out from a nominated Member, the Honourable Mr. Sarma. Mr. Sarma asked : whether the Government were prepared to ask the Editor in a friendly manner to refrain from writing any more articles of a provocative character. The Government were not prepared to do even that much.

Mr. R. S. Sarma (Nominated Non-Official) : I said that the Leader of the House has already said that they are taking action in forwarding these questions and answers for necessary action.

Mr. B. R. Puri : You have as bad a memory as other Members of the Government. Here is your answer. You said :

“ In view of the fact that the Publicity Officer of the Government of India is in direct touch with newspapers all over the country, will the Government be pleased to direct him to draw the attention of the Editor of the *Daily Gazette* to this article and to ask him, if necessary, in a friendly manner, to refrain from writing any more articles of a provocative character ? ”

I hope my Honourable friend stands corrected now.

Mr. R. S. Sarma : I want the reply to that.

Mr. B. R. Puri : The reply is that the Government of India are not prepared to do beyond what they have already stated, namely, that they will despatch these questions and answers.

That is the reply. Time and again, the Government gave the same reply, that they are not prepared to go beyond that. Now, Sir, the enormity of this action is open to very serious question. The hand that rules may be heavy, but we want that its pressure should be even. It would be highly mischievous if the impression got abroad that any Anglo-Indian offender or any European offender, no matter whom he may malign, is above all laws. On the other hand, any Indian, no matter how high his position may be, if he does any corresponding act, will be hauled up under the law and sent to jail. This kind of discriminatory treatment would lead, I am afraid, to violence, the consequences of which should be the aim of all parties in this House to check as far as it lies with us. Before I sit down, I would like your indulgence just for one second. I have got to skip over a good many points which I cannot now take up, but I will just deal for a moment with the point raised by my Honourable friend, Mr. James, yesterday.

Mr. President (The Honourable Sir Shanmukham Chetty) : The rules relating to the time limit on speeches of this kind are absolutely mandatory. Standing Order 24 says : " No speech during the debate shall exceed fifteen minutes in duration ". Owing to the interruptions, the Chair allowed the Honourable Member five minutes more.

Mr. B. R. Puri : I move that this House do now adjourn.

Mr. R. S. Sarma : Mr. President, my Honourable friend, Mr. Puri, is a criminal lawyer of eminence and has already won fame and wealth in his profession, but I must congratulate him really on the success that his forensic eloquence achieved on the floor of this House this morning when he was able to convince a section of this House that the matter he was raising was of urgent public importance.

An Honourable Member : Are you questioning the ruling of the Chair ?

Mr. R. S. Sarma : No : on the other hand, I am saying that he was able to convince the Chair that the matter was of urgent public importance.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

I do not think any man will be more embarrassed by the attitude taken, not by the Government, but by those who profess to be his friends than Mahatma Gandhi himself. Sir, whatever we may say about Mahatma Gandhi—many people say that he is not a good diplomatist, nor is he a statesman—he has got one characteristic which everybody has acknowledged, namely, he has got great and good sense of humour which I wish Members sitting on these Benches had possessed. There is a Tamil proverb which says that a husband thrashed his wife and the wife was weeping and, after half an hour, when the husband came back and asked her why she was weeping, she said, she was weeping not because the husband beat her, but because the husband's sister laughed at her. So, here our friends are not concerned as to what the *Daily Gazette* wrote, but what the attitude of the Government was in their replies yesterday. After all, to my mind, as a journalist, however silly the effusion may have been in the

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Daily Gazette it was a funny article which ought not to have been taken seriously at all. I do admit that it is a risk job to indulge in jokes about a personality who has achieved International fame and if the Editor of the paper....

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions : Non-Muhammadian Rural) : I think the Honourable Member will agree that it was a very foolish article and should be treated with contempt. It was not a humorous article.

Mr. R. S. Sarma : I am subject to correction, I say that it was a silly article and ought to have been treated like that. But we are not concerned here with the article, but the attitude of the Government in their replies. Now, what was the reply ? Not once, not twice, not thrice, but half a dozen times the Leader of the House yesterday said that he was drawing the attention of the Bombay Government to this article and he was going to forward to the Bombay Government a copy of all the interpellations. Some Members asked yesterday whether the Government of India did not exercise control, direction and supervision over the Local Government. I may say that it is because they are exercising direction and control that the Leader of the House thought it fit to communicate to the Bombay Government what the Honourable Members have thought about this matter. Having done that, I want to know what further action do they expect the Government of India to take ? Does my Honourable friend, Mr. Puri, expect the Honourable Sir Harry Haig to send a clear line message to the Commissioner of Sind to hang the Editor on the nearest tree ? I can understand that if the Bombay Government, after going through these interpellations, do not do anything and there was still bitter feeling in this matter, it will be open to Members of this House to raise this question again on the floor of this House. Having said that much, I maintain that the attitude of the Government has been perfectly satisfactory so far.

I want to make one appeal which I should have liked to make to the President and now I make it to the Deputy President. We are having so many motions for adjournment in this House, the object of which is to ascertain whether this House really censures the Government on these issue or approves of the action of the Government. But when these motions are only talked out, it is not fair either to the outside public or to the constituencies whose Members are in this House....

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : Order, order : The Honourable Member cannot question the decision of the Chair.

Mr. R. S. Sarma : I am not questioning the decision of the Chair. I am only appealing to the Chair that at least in this matter the House should divide and record its votes.

Mr. B. Das (Orissa Division : Non-Muhammadian) : Why don't you challenge a division ? You have not the courage to challenge a division.

Mr. Lalchand Navalrai : Sir, we have heard the Honourable Mr. Sarma many a time in this House and I do not think I can take it that he was speaking not seriously. My submissions to this House on this question are three in number. The first question is whether the Government of India can plead that they have no jurisdiction in a matter like this when it concerns the whole of India as I will presently show. The second question is whether the article in question, for which I am responsible for

bringing it into this House, is not such an insulting and libellous one as to create bad blood if the Government of India do not interfere. I must say that the leader that appeared in the *Daily Gazette* was not read by me in any paper of Sind. My attention was first drawn to it when it was reproduced here and I saw it in Simla in the *National Call* only a day before I sent in the question. The third question is as to the attitude of the representative of the Government of India on this article as well as its interpretation and that of the replies given to the supplementary questions by the representative of the Government who was on that day the Honourable the Joint Secretary in the Home Department. I was sorry that the Honourable the Home Member was unavoidably absent, as, I am sure, his replies would have been given with more tact and would have been more satisfactory. Of course, I do not in the least condemn or say anything in condemnation of the Honourable the Joint Secretary. I know he was sincere in what he said, though he was mistaken. Perhaps it was due to the fact that it was the first time that he opened his mouth in this House when he gave answers which were absolutely unreasonable and unsatisfactory. As the time at my disposal is limited, I will run over these three questions. The first question is with regard to the jurisdiction. This article has not been published only in Sind and does not affect the people of Sind only. This article is not of such a character that it can be taken notice of only by the people of Sind or Bombay, but it is an article which is likely to be taken notice of by the whole of India. The *Daily Gazette* claims to be a paper which has got a large circulation.

An Honourable Member : Has it ?

Mr. Lalchand Navalrai : At any rate, it has the Government support. So, if I may be permitted to say so, the Government have been more or less negligent in taking action against these Anglo-Indian papers in order to bring them to their proper senses. I say that as this is a question of all-India importance, it will cause bad blood if this article is allowed to go to every nook and corner of India unchallenged. Therefore, it is certainly an all-India question on which the Government of India cannot come forward and give an unsatisfactory reply to the effect that they will act as a channel or as a post office only to send these questions to the Bombay Government. I submit, this is one phase of the question of jurisdiction. Coming to the second, it is a legal point. In my questions, I asked whether the Government of India were going to take legal action against this paper for this article which, according to some Honourable Members of the House, is at least foolish or childish. If you read the article closely and if you know the career of this paper in having published previously an article of this nature, I submit, it is the duty of Government to take notice of it. According to law, there is a section in the Code of Criminal Procedure which says that if there is any offence which is continuing, or continues over other areas, any Government of any area will have jurisdiction to take cognisance of it. As this article has appeared also in Delhi and in Simla and also elsewhere, why should not the Government of India take action against the paper under section 153A of the Penal Code.

Section 182, Code of Criminal Procedure, says :

“ Where an offence is a continuing one, and continues to be committed in more local areas than one, or where it consists of several acts done in different local areas, it may be inquired into or tried by a Court having jurisdiction over any of such local areas.”

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The commentary on this section says :

“ If a defamatory letter is posted in Madras with a view to its being read in Tinnevely, the offence of defamation is triable either in Madras or in Tinnevely under section 179 or 182.”

Similarly, the editor of an offensive article can be prosecuted at any place where his paper is circulated.

I need not pursue this point further. But I must say that it is certain that the Government of India, under their several functions, could take cognisance of this article and consider it for themselves. Different interpretations are sought to be put on this article and it is the duty of the Government to come forward and consult their own legal officers and come to a definite conclusion. It is up to the Government of India themselves to take action in the matter and not direct the Government of Bombay to enquire into the matter. If this cannot be done, the Government of India can send a peremptory order to the Government of Bombay to enquire into the matter. Apart from the power of superintendence and the power of revision that the Government of India have, they have generally all-India power and, I submit, that according to law, they must take action. The reply that they have given is absolutely unsatisfactory and, by this reply, the Government have shown that they are taking a partial attitude towards the Anglo-Indian press. I am sure, if an Indian paper had done something like this and had attacked a European in this way, I do not know whether the matter will have stood only with the Government of India. Action would have been taken even by the Secretary of State for India. On this point I must say further that the position of Government in the answers that they have given is rather inconsistent. Sir, as my Honourable friend, Mr. Puri, has made it plain that the Government of India have given certain replies in which they say that they have got nothing more to do than to send the papers to the Bombay Government. I submit, that is not a fair position as disclosed in the answers that they have given. I will presently show that, on the interpretation of the article, the Honourable the Joint Secretary of the Home Department has given more or less a definite opinion, and, having given a definite opinion, was it right to say only that the papers would be sent to the Bombay Government ? It would mean that they prejudice the case with regard to the article itself and then say that they would send the papers to the Bombay Government. On that point I put a specific question to the Honourable the Leader of the House who happened to intervene on behalf of the Home Department. I put the following question :

“ May I know, Sir, whether the Honourable the Leader of the House agrees with a reply given by the Home Secretary, because it appears to me that he is prejudicing the case by giving his opinion for the consideration of the Local Government ? ”

The reply was very unsatisfactory. Then, having shown the passage in the *Daily Gazette*, I asked the Home Secretary the following question :

“ May I know, with this explanation, of the *Daily Gazette*, whether the Honourable Member would think it necessary to call the attention of the Bombay Government that the answer is only childish and the allegation is admitted, and that action should, therefore, be taken against the *Daily Gazette* ? ”

What was the reply ? It will show how the Government of India tried to prejudice the case. The reply was :

“ No, Sir. The Government of India do not propose to call the attention of the Government of Bombay to a reply which explains the obvious meaning of the article.”

Then, Sir, the Government of India more or less agree with the *Daily Gazette* that the obvious explanation is the one given by that paper. So I put another question to the Home Secretary which runs :

“ May I know, therefore, whether Government are accepting this explanation which will not be acceptable even to a child ? ”

The reply was :

“ The explanation given is an obvious one to any one who has a good knowledge of the English language.”

May I say here, without any disrespect to anyone, that this reply has been taken *verbatim* from the explanation of the Editor of the *Daily Gazette* ? With regard to the article, which I brought to the notice of the Government, from the *Daily Gazette*, the reply then given by Government was that the meaning was clear only to those who had a good knowledge of English. I submit that this explanation has been inspired plainly by the explanation given in the *Daily Gazette* and then the Honourable Member came forward and said that those who had a good knowledge of English would only appreciate its meaning. Then, again, I put another pointed question which runs :

“ May I know if the Honourable Member is aware that there have been so many criticisms over this article which has been called childish and whether those who have criticised also do not know the English language well ? ”

The reply was :

“ I have not seen any criticisms, Sir, except the Honourable Member's.”

Where did the Honourable Member read my criticism ? I did not write in any newspaper. When he referred to me, there was, I must say, in some quarters a suspicion that the Honourable Member was referring to my own knowledge of English. But I was quite charitable on this point and took it that he could not have possibly meant that my knowledge of English was defective. To be fair to him on this point, I must say that he made it clear to me yesterday in the lobby that he never meant to say that my knowledge of English was bad. On the other hand, he said to the contrary. Therefore, I have no complaint on that point. So far as the answers are concerned, I must say positively that the Joint Secretary of the Home Department has prejudiced the case if it should go to Court. He said that the explanation was obvious. I still repeat that it is not an explanation which will be acceptable even to a child. Anyway, here it is considered by some to be foolish and such as no responsible paper should publish. Why should a responsible paper like the *Daily Gazette* come forward and make jokes at a man who is so revered and on whose account the whole of India will resent. After this article was published, the *Daily Gazette*, in its issue, dated the 30th August, has pointed out how this matter in fact led to a stir amongst the people of Karachi that they met in the Khalikdino hall and gave expression to their views condemning this article. Further on, it is said in the paper that it was even given out that if such an article had been written in Bengal, they would have seen how to meet with the writer.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The Honourable Member has got one minute more.

Mr. Lalchand Navalrai : What I am submitting with regard to this article is that it is really inflammatory, I may almost call it libellous. Coming then, to the third question, the attitude of Government, I have,

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while giving my arguments on the other two questions, referred to that also. Sir, Government have not taken this attitude on this occasion only. We talk often of the Government of India's powers of superintendence and control. For instance, when we talk of the Railway Department, we are told that the questions are being sent to the Agent ; when we talk of the Government of India, we are told that the question is being sent to the Provincial Governments to be dealt with. Is this an attitude which the House will accept ? Those days are gone when the House was more or less helpless on this side at least, but now the days are different.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The Honourable Member's time is up.

Mr. Lalchand Navalrai : I was saying that we are now more wide awake, and I support this motion.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural) : Sir, I support the motion of my Honourable friend, Mr. Puri. I do not like to discuss the newspaper article in question in detail, because I know every sensible man will treat with contempt such inelegant and indecent articles and appraise the worth of the author. But what I regret is the attitude of Government. Personally, I think that had the Honourable the Home Member been present yesterday, we would not have been compelled to drag the discussion to this extent. I know the Leader of the House wanted to mitigate the situation by saying that he would refer the questions and answers to the Bombay Government. I wish he had been bold enough to say that the Government of India did not approve of such articles and that they did not think that these ugly sentiments should have been indulged in.

The Honourable Sir Joseph Bhore : I did say that. I said that I entirely agreed with Sir Cowasji Jehangir that it was in very questionable taste indeed.

Mr. S. C. Mitra : The Joint Secretary of the Home Department perhaps, being new to this House, did not gauge the depth of feeling amongst the Indians that such scurrilous remarks were made against one of their greatest leaders. There is no doubt a general impression in the country that Anglo-Indian papers are immune from all the sections of the Penal Code. We have tried, times without number, to bring to the notice of the House during the Kashmir disturbances the objectionable nature of the articles from the *Statesman*, which should have been suppressed, and also, on many other occasions, and it is really a very deplorable thing that this impression should be confirmed by such callous attitude of the Government of India in this particular matter. I do not know what is the standard of sense of decorum or decency, prevailing in the western civilised world ; but I can tell the Honourable the Home Member and the Government Benches that we, oriental people, may be very backward in everything else, but, according to our sense of honour and decency, such inelegant and indecent expressions from educated men is never tolerated in any decent society. I do not know the ideas of humour of my friend, Mr. Sarma, but I think he will agree that this sort of writing is neither humorous nor will be accepted as witty by any civilised people ; if he thinks over it closely and not be anxious to support Government in every

way whenever there is an occasion, he will be ashamed to support such a conduct.

I think Government most certainly realise that Mahatma Gandhi's name is one to be conjured with throughout the length and breadth of India, and, no man, particularly an Englishman, with a decent education, and the editor of a newspaper should indulge in this sort of writing. If they do so, they will only be widening the great gulf of difference between the two races, and certainly it was the duty of the Government of Bombay at least to warn such persons to be more careful. What we desired was that the Government of India, having the power of superintendence, direction and control over the Provincial Governments, should have taken steps, when their attention was drawn to this matter by Mr. Lalchand Navarai, to draw the attention of the Bombay Government, and that would have consoled the feelings of the Members of this House. I think it was not fair to consider this matter as merely provincial, particularly when the attention of Government was drawn specially to it by my friend, Mr. Lalchand Navarai. I have my own views as to whether on these small matters the attention of Government should at all be drawn, as it is very insignificant, but once it is brought to the notice of Government, I think it is incumbent on the Government of India to do their best and satisfy public opinion in these matters. With these remarks, I support the motion.

Mr. F. E. James (Madras : European) : Sir, if ever it is my misfortune to get ensnared in the toils of litigation, I shall endeavour to engage Mr. Puri on my behalf as there is no doubt that there is no one who can make a better speech on a hopeless case. I should like, first of all, to say, in regard to the remarks which are quoted from this particular article, that none of us on this side of the House would wish to give the impression that we think they are in any way justifiable. My own personal view is that they are in bad taste, they are foolish and they are petulant ; and when anything is said in a widely circulated press which is either petulant or foolish or in bad taste, and specially when those remarks are addressed to a person who is held in great veneration by the whole of India, then obviously they are very unfortunate and nobody in his normal senses would justify their publication in any responsible journal. But when that is said, I do beg of Members of the House to preserve a sense of proportion in dealing with this matter. Many foolish things are said from time to time almost every day in almost every paper. Honourable Members of Government have, in a paper which is published not very far from here, been caricatured in the most scandalous terms by a very well-known caricaturist. The last caricature I saw was of the Honourable Member for Industries and Labour, and I should certainly think that, from the description of the Honourable Member, he had an extremely good case for complaint, and an extremely good case for intervention by the Government of India. I wonder why he did not ask the Government of India to exercise their powers of superintendence, direction and control over the Local Government. I once more appeal to the House, in view of what I have said and of what I think should be the attitude of every reasonably-minded man, to preserve a sense of proportion in this matter. I would remind the Members of this House of the meaning of this adjournment motion. An adjournment motion is directed against the Government. If it is carried, it means that the Government of the day is censured. On what basis is this motion going to be carried through the House ? As

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far as I could understand the speech of my Honourable friend, Mr. Puri, he had two complaints : the first was that the Government of India, as a Government, were not prepared to express an opinion about these particular words. I put it to my Honourable friend, that we are living in very anxious times : there are many important matters before the House : we have just interrupted a discussion on the Reserve Bank Bill which, according to many Members of the Opposition, is the most important measure yet placed before this House. Therefore, the Government of India's time is fully occupied. Does my Honourable friend really suggest that the Government of India should, as a Government, seriously consider these particular words or any similar words made in any publication in India and come to a considered and careful opinion as to whether they are or are not proper ? I do suggest that my Honourable friend's sense of humour and sense of proportion have deserted him on this occasion.

I gather that the second ground for the adjournment motion is that if the Government of India did not express an official opinion, at least they should exercise their great powers of superintendence, direction and control over the Bombay Government so that that Government should take action in regard to this article. Now, those of us who have been in close touch with Provincial Governments, and who have served on Provincial Legislatures well know that the provinces are very jealous of the exercise of these great powers by the Government of India, and resent any interference very much. Therefore, it is not unnatural that the Government of India should not, as a rule, use these powers in respect of Local Governments unless there is some very grave emergency, unless there is some very compelling circumstance which will make the use of those powers justified. I would ask Honourable Members in this House frankly to face the issue and answer the question—are the circumstances so compelling as to make it justifiable for the Government of India to use these powers ? Is the emergency so grave ? This article was published, I believe, some time in August. I understand one meeting of protest has been held in Karachi. I have not heard of other meetings : I have not heard of any breach of the peace in Karachi itself. I quite admit that articles of this kind are foolish and they do breed ill feeling between one community and another ; but, at the same time, let us preserve a sense of proportion in these matters and realise that there is no justification whatsoever for the exercise of these great and extraordinary powers of direction, superintendence and control by the Government of India.....

Rao Bahadur B. L. Patil (Bombay Southern Division : Non-Muhamadan Rural) : May I ask whether the Honourable Member knows that superintendence, apart from the law of the country itself, gives such a power to the Governor General in Council to prosecute such persons ? If he knows that, I have no more to say.

Mr. F. E. James : I did not hear my Honourable friend, but, in any case, it is immaterial. I understood from the Commerce Member, as from the Joint Secretary to the Home Department, who, on this his first appearance, has had to answer questions and has been placed in a very difficult position (which, I am sure, Members of this House will

realise)—I understood that they were prepared to send the proceedings of this House at question time to the Bombay Government. I consider that that is a very sympathetic step for the Government of India to have agreed to take ; and I do suggest that if Honourable Members of this House, in view of all the circumstances, in view of the important business which is before the House, in view of the foolishness of the words which are complained of, in view of all these things, I do suggest that Members of this House should be content with what the Government have agreed to do and should throw out the motion for adjournment which is in effect a motion of censure. The real question which we shall have shortly to face is this : on this issue, are Members genuinely and honestly prepared to censure the Government of India ? If they are and if the censure motion is really carried against the Government of India, then I am not at all sure that the Governor General will not be justified in ordering a speedy dissolution of this Assembly so that fresh elections can be held !

[At this stage, Mr. President (The Honourable Sir Shammukham Chetty) resumed the Chair.]

Mr. K. C. Neogy (Dacca Division : Non-Muhammaadan Rural) : We Chetty) resumed the Chair.]

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Urban) : Mr. President, I am afraid, this is a most unfortunate debate, because it is founded, I am sure, on a misunderstanding. I cannot, for one moment, believe that any Member of this House, whether he be on the Government Benches or on these Benches here or on those Benches further down, would for one minute try to justify such a leader in a responsible newspaper—and I believe it is a responsible newspaper—at least I have never heard of it before—talking of a man, with whom we may disagree, with whose methods we may disagree, but about whom there can be no two opinions that he is a man of international reputation, a man admired by millions in this country. To talk about a man like that, especially of a man of his years—he is 65—about spanking him in a leader, not even in a note, is really the most absurd thing I have ever heard of ; and I do not think that any of those replies that came from the opposite Benches tried to justify the remarks made in that leader. But my Honourable friends opposite, perhaps in the absence of the Honourable the Home Member, who, however strong his replies may be, however clear they may be and however much he may disagree with us, has always got such a pleasant smile on his face and who tells us exactly what he thinks and what he is going to do, were at a disadvantage.

Now, Sir, notwithstanding the very able assistance given by my

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Honourable friend, the Leader of the House, to a new Member on the Government Benches, I

do believe that a misunderstanding did take place, and I can realise how this misunderstanding did take place. My Honourable friend, I believe he is the Joint Secretary in the Home Department, is here for the first time, and although he was answering questions, it was a maiden effort for all I know. I do not know whether he has addressed the House before, it was a maiden speech, and in attempting to give answers perhaps he was not quite what the Home Member might have

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been. Perhaps he fully realises from this incident that it is not so easy for Government Members to give replies as he imagined. It is a difficult thing ; it is an art that has to be acquired, and my Honourable friend, the Home Member, and my Honourable friend, the Leader of the House, have acquired the art really to perfection, and it will be many years perhaps before my Honourable friend, the Joint Secretary, will acquire the art in the same manner as my two Honourable friends who sit on the front Benches. But that misunderstanding need not lead to a vote with regard to the adjournment motion.

The real point is this, and it is a constitutional point. Have the Government of India supervision, direction and control over Provincial Governments ? They have today ; they may not have two or three years hence. And we have got to consider the constitutional position as it stands today. My Honourable friend, Mr. James, who now sits so far away that I can hardly hear—I believe he was talking about the sensitiveness of Local Governments about the interference from the Central Government. I was just as sensitive in days gone by, but the fact remains that the Central Government are responsible. They are responsible to this House in a way, not completely, but in a way ; at least they are responsible to the extent that they have to answer our questions. I do not think that the Treasury Benches opposite can on certain occasions take the responsibility of certain actions of the Local Governments, and, on other occasions, say : “ We shall have nothing to do with the Local Government, it is their business, and we will allow them to do what they like ”. This is inconsistent. I can understand their saying : “ We shall not go on enquiring every day about certain matters from the Local Government, we are not going to bother them ”. But when a question is asked of them : “ What about this article in the papers ? ”, the only answer that Government can give is that they will consider the matter, that they will refer it to the Local Government, that they will get the views of the Local Government, but that they will give it their consideration. I cannot see, under the present Constitution, how they can refuse this side of the House consideration of any matter that they may bring to their attention. They may reject it, but consideration of the matter they must give. But, unfortunately, and that is where the misunderstanding took place,—unfortunately, the reply led us to believe that Government refused to give the matter consideration although half a dozen Members on this side of the House demanded that Government must give consideration to this matter. That is where the constitutional position comes in. I think that this side of the House can, under the present constitution, demand that the Government must consider the matter. The consideration of the matter may consist of the Home Member glancing through the article and saying : “ Gentlemen, I do not think this requires any further consideration ”. That means he has already given it consideration and he has come to the conclusion that he cannot give it any further consideration. But to tell us : “ We will refer it to the Local Government, and we will not interfere with the Local Government whatever they may do ”—that is not the constitutional position and cannot be the constitutional position of the Government of India. If that were the constitutional position, then Local Governments could turn round and tell the Honourable Members opposite that they would do whatever they liked with Mr. Gandhi and that the Government of India could please themselves. That is not the constitu-

tional position. When we ask questions about Mr. Gandhi, the Honourable Member takes full responsibility for actions taken and says : " These are our actions ". That may have been the result of consultation with the Local Government ; it may be that the Local Government disagreed with them and they had to submit to the Government of India ; but they do not tell us that. We have nothing to do with what the Central Government do with the Local Government, or what weight they give to the opinion of the Local Government. We are not concerned with that. What we are concerned with is, what do the Government of India think about a matter over which they have superintendence, direction and control. It is our constitutional right that we shall get an answer. That is the question and, I feel certain, that there was a misunderstanding. I have never seen any Government yet, Local or Central, who will shirk their responsibility in that way, and I have not the slightest doubt that Honourable Members opposite do not want to shirk any responsibility. But, as I say, the answers were unfortunate and it became all the more unfortunate, because it was connected with an article which will give offence to millions in this country. Honourable Members opposite may not agree with me, but it is a fact that this article will give the greatest offence, will hurt the feelings of millions in this country. We may disagree with Mr. Gandhi, and no one has disagreed with Mr. Gandhi more than I have, openly and privately. No one perhaps has told Mr. Gandhi his mind more clearly, and no one has been less afraid to say what he thinks publicly. But Mr. Gandhi is a great man, and if articles of this stupid character are written and if they are resented by millions of people in this country, although they may not fall within the four corners of the law, we do demand that the Government of India shall be responsible to us and shall tell us that they have considered this matter, that it falls or does not fall within the four corners of the law and that they do not desire to take any further action in the matter, or they cannot or they will not. Some sort of reply we must get from the Government of India, and we cannot be told that the matter has been referred to the Local Government who will do what they choose and we shall not get a reply. That is the position and that is all that the trouble is about.

Now, Mr. President, I do think that the matter can be solved in five minutes. The constitutional position has only to be placed before the House by the Home Member and the thing is over. I do feel that the Government of India cannot and will not take up the position that they refuse under any circumstances, with or without consultation with the Local Government, to say what they propose to do with regard to an article like that. I do not think they can take up that position, and, I am sure, no Government can take up that constitutional position so long as the present Constitution lasts.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Member's time is up.

Sir Cowasji Jehangir : In two minutes more I shall finish. I do not think anybody would like to be told in a leading article " You ought to be spanked ", and if the same was written of any of us, or any of those gentlemen opposite, I do not think we would be very pleased. And if this is encouraged, tomorrow you will get leaders saying " I should be spanked, my Honourable friend, the Leader of the House, my Honourable

[Sir Cowasji Jehangir.]

friend, the Home Member, every one of us should be spanked", and, then, my Honourable friends will have to grin and bear it if they express no resentment now at such stupid and vindictive articles. I trust that this misunderstanding will be removed within the first two or three minutes of the speech of my Honourable friend, the Home Member. (Applause.)

The Honourable Sir Harry Haig (Home Member) : I must, in the first place, express my regret that I was not in the House yesterday at question time, but I was engaged on work which I considered to be of great importance and I did not expect for a moment that any storm would develop in consequence of this question, and, I am afraid, even if I had known that the storm was going to develop, I should still have felt that the work on which I was engaged was more important than the work of answering this question. Now, Sir, I am very grateful to the Honourable Members opposite who have paid me the compliment of suggesting that anything that I might have said yesterday might possibly have avoided some of the trouble, but I must confess, after reading the questions and answers, I feel that in a way I am very glad that I was not in the House yesterday. I am perfectly certain that I should not have been able to deal with the situation any more effectively than my friend, who sits behind me, and my friend, the Honourable the Leader of the House. They were subjected, Sir, to a very intense bombardment and I think the position they developed before the House was a perfectly reasonable one.

Now, Sir, with reference to what fell from my Honourable friend, Mr. Mitra, and my Honourable friend, Sir Cowasji Jehangir, about the nature of the article, let there be no misunderstanding about that, and, I do not think, if the answers of my Honourable friends are regarded with some fairness, that there could be any misunderstanding. One knows that the tendency of modern journalism all over the world is in the effort to be bright, too often to pass the bounds of good or even reasonable taste, and occasionally I fear, I do not want to insult any of my journalist friends and there are very many honourable exceptions, to lapse into vulgarity. Well, Sir, I think this was one of those cases, and when such lapses occur, they must certainly be deplored. But, Sir, the point of attack on the Government is not the nature of this article, for which the Government are not responsible, but the attitude of the Government in regard to the demand put forward yesterday by the House. I must say, I am very much surprised that we should be asked to take an attitude different from the attitude that was taken up yesterday. Our general policy in regard to the administration of the reserved Provincial subjects is, I think, pretty well appreciated by the House. We are constantly being pressed by certain Honourable Members, particularly, if I may say so, by my Honourable friend, Mr. Lalechand Navarai, to take an active part in the Provincial administration and that is a tendency which we, in the Home Department, invariably resist. I cannot accept the view put forward by my Honourable friend, Sir Cowasji Jehangir. It is perfectly true that constitutionally the Government of India have the power of superintendence, direction and control in regard to Provincial reserved subjects, but it is perfectly obvious that the administration of this enormous country could not go on if the Government of India were continually interfering in the administration of Provincial subjects.

Sir Cowasji Jehangir : I never said that.

The Honourable Sir Harry Haig : Provincial Governments are, after all, very responsible bodies. They have their Legislative Councils which are very vigilant watchdogs of what they are doing. It is only in the major matters of policy—questions of the treatment of Mr. Gandhi admittedly—questions of that sort—that we have to take an active part. Now, Sir, when these questions arise which we consider fall within the normal administrative powers of a Local Government, so far as I am concerned, I have always refused to take any definite action in the way of interfering with the discretion of a Local Government, and the utmost that we in the Home Department ever care to do is precisely what my Honourable friend, the Leader of the House, agreed to yesterday, and I think it was a very reasonable offer, namely, to communicate the opinions of this House to the Local Government. That is what my Honourable friend, the Leader of the House, agreed to do yesterday and that is precisely what I should have done had I been in my place. It is really a question of the degree of importance that is attached to this article. My Honourable friend, Mr. James, said that he felt there was a certain lack of proportion. I must say the same idea crossed my mind. My Honourable friend, in moving this motion, referred to this as a momentous question. Well, Sir, if I regarded this in any way as a momentous question, I should certainly have referred the matter to the Bombay Government and made some inquiries.

Mr. B. B. Puri : I hope the Honourable Member will pardon me if I interrupt him. I never said that the article itself constituted a momentous question. I said that the momentous question was the indifference of the Government of India.

The Honourable Sir Harry Haig : I am sorry, if I misunderstood the Honourable Member, but even the indifference of the Government of India does not appear to me to be in this case a very momentous question. The point at issue really is whether this is a normal matter of administration. In regard to the control of the Press, our deliberate policy has been for many years to leave these matters to the Local Governments and I would just remind the House that when the Indian Press Act of 1931—I hope my reference to it will not in any way annoy the House—was passed, the powers for dealing with the Press were quite definitely placed in the hands of Local Governments and the intention was that those powers should remain where the Legislature had placed them, and only in very exceptional and unusual cases would the Government of India dream of questioning the discretion of the Local Government. In this particular case, I think, we can safely leave the matter to the Government of Bombay. After all, what was this article? An article published in a paper in Karachi, an article which would probably never have been noticed in this part of the world at any rate, if it had not been disseminated to some extent by a Delhi newspaper, and had not received the tremendous advertisement which has been given to it by my Honourable friend's question and by this motion in the House this evening. I think, Sir, if the House had been content to leave this article in the obscurity which it deserved, it would have been very much better for all concerned, including, if I may venture to say so, Mr. Gandhi. No one wants any insults to be directed against him; no one wants writings of this sort to multiply; but the

[Sir Harry Haig.]

question of taking legal action is quite a different matter. I am certainly not prepared to make any suggestion to the Bombay Government that any kind of legal action should be taken. I do not think, Sir, there is anything more I need say except to make it quite clear that on the general point which is at issue here as to whether the Government are right in the attitude they have taken towards this question, I have not the smallest doubt that the Government are right and I hope that the House will support us in that decision.

- **Mr. C. S. Ranga Iyer** : Sir, before I proceed with my speech, I should like to put one direct question to the Honourable the Home Member and that is this : whether he will be prepared to convey to the Government of Bombay the debate on this adjournment motion along with the questions and supplementary questions which the Honourable the Leader of the House was prepared to convey with a note that great feeling prevailed on this side of the House ?

The Honourable Sir Harry Haig : I am perfectly prepared to convey the proceedings of the House, but I do not propose to comment on them.

Mr. C. S. Ranga Iyer : My purpose will be served, because, after all, I do not attach so much importance to the Home Member's comment as to the feeling actually exhibited on this side of the House. I admit that not only the Editor of the *Daily Gazette* ought to be grateful to Mr. Puri for having given him great advertisement by this adjournment motion, but also the Opposition ought to be grateful to the Home Member for having condemned the editorial comments in unmistakable language, which condemnation it was not possible to secure for this side of the House naturally in a series of supplementary questions, because supplementary questions are not exactly a satisfactory method of getting an adequate condemnation from the Government. As the Honourable the Home Member has himself admitted, even if he were present with all the cleverness of a magician that he possesses, he could not have manipulated the situation better than the Honourable gentleman seated behind him. As the Honourable the Leader of the Independent Party has generously pointed out and I associate myself with those observations in the spirit in which he made them, it was a maiden effort on the part of the Honourable Mr. Sloan. But, situated as he is, backing the Home Department of the Government of India, which is, naturally in these political days of upheaval, the widest target for the Opposition Benches, and the manner in which he answered questions for the Department whose mind he is best entitled to interpret in the absence of his Chief, the Opposition obviously felt that it had no other alternative but to go for him in the manner in which it did. Sir, this House is like a tennis court. One side hits as hard as it can the other. Having watched as I did for several months in England, especially in 1929 and 1927 in the stormy days of the House of Commons, I sympathised with the Home Secretary surrounded as he was by angry waves marching from this side of the House until the Leader of the House, out of sheer sportsmanship and sympathy, himself took charge of the situation. I remember a similar occasion in the House of Commons. The Opposition would not permit the President of the Board of Trade to speak and Mr. Baldwin would not go to

his rescue for a long time. Ultimately he was compelled. Mr. Sloan's was certainly a maiden effort which reminded me of the maiden speech of Lord Birkenhead in the House of Commons. When Lord Birkenhead made a maiden speech and invited trouble, he was most interrupted. Unfortunately, the Honourable the Home Secretary did not make a maiden speech. It was a maiden endeavour to give a series of answers to unmaiden questions or unready-made answers to unpremeditated supplementary questions. Sir, I congratulate him for having hit back the Opposition without the blushes of a maid. (Laughter.)

Now, I am very grateful to the Honourable the Home Member to have said that no one wants insults to be directed against Mahatma Gandhi as the Karachi newspaper directed. Much as I value the liberty of the Press, I hope newspapers in this country will use that liberty in terms of wholesome restraint. As for the actual aspersion itself, it is fortunate to notice that Mahatma Gandhi has not taken notice of it. It is fortunate also to notice that his numerous admirers in Sind, in Bombay and all over the country have treated the wretched fulmination of an unworthy scribe with the contempt with which the fulmination deserved to be treated. I hope, after hearing the Home Member, we will follow the example of the great Mahatma and his loyal followers out in the country, and, instead of voting upon this issue or pressing it to a division, withdraw the motion and proclaim to the country that we propose to treat this indecent effusion of an irresponsible writer with utter contempt. (*Cries of "Hear, hear."*) The Opposition Benches cannot always take notice of unworthy effusions in a corner of India.....

Mr. Lalchand Navalrai : It is not a corner of India ; it is proposed to be a separate province of India.

Mr. C. S. Ranga Iyer : I apologise to my friend. (Laughter.) A separate young province, almost coming into existence, has treated this contemptible effusion with contempt. We will follow Mahatmajī's silent lead which may be summed up in these words :

" Aspersion is the babbler's trade

To listen is to lend him aid."

No more shall we listen to this aspersion, but dismiss it with the scorn which it deserves. My friend, Mr. Puri, has no intention to kill a fly with a Nasmith hammer, but only to raise certain issues and especially to get the condemnation of that kind of article in the Anglo-Indian Press, who seem to have a charter as wide as the wind to blow on whom they like. His object was to get the condemnation of the article in question from the Government and that object has been achieved. I do not think, therefore, that he will proceed, with his great sense of humour and responsibility, to kill a fly with a Nasmith hammer. (Applause.)

Several Honourable Members : The question may now be put.

Maulvi Muhammad Shafee Daoodi (Tirhut Division : Muhammadan) : Sir, I rise to say that I agree with the words which the Honourable Sir Cowasji Jehangir just now spoke in connection with this motion. I had thought that we would have some satisfactory reply from the Honourable the Home Member on this point. I do not find that there is any

[Maulvi Muhammad Shafee Daoodi.]

justification for the attitude which the Government have taken now after the appeal which was so eloquently made by Sir Cowasji Jehangir.

As the Honourable the Home Member has himself admitted, the paper had indulged in vulgarity. There is no doubt about it. Everybody here or outside this House, who has read the article, would admit it in the most unequivocal language. But what is the remedy? Does the remedy lie in merely condemning it here and allowing such vulgarities to pervade this country. I feel very strongly that it is provocative language like this which has created bad blood in India between one community and another. It is the language which sets one community against another. I feel that Government would be well advised in taking serious action against the paper which has committed this wrong. I also feel that if this is not done, it might create bad blood in the country which, I think, the Honourable the Home Member will deplore more than I do. It is not a matter which should be dealt with in a light-hearted way as it is suggested. I would strongly advise the Treasury Benches to ponder over this question and find out some means by which the wrong should be redressed and not allow the paper to go scot-free. Otherwise, it might create serious situation. It is not a matter which should be lightly treated. With these words, I support the motion.

Mr. K. C. Neogy : I am sure, Honourable Members on this side of the House are deeply grateful to the Honourable the Home Member for the statement that he has made, namely, that, in the midst of his multifarious duties of a most onerous kind, he has had time to go through the answers that were given in this House yesterday on this subject. But, I am sure, he has not had time sufficiently at his disposal to go through the questions carefully, because, if he had done so, he would have found that his statement that he agrees with those answers has practically cast a kind of doubt upon the character of the knowledge of English possessed by his colleague, the Leader of the House; because Sir, the Honourable the Joint Secretary of the Home Department, in one of his replies, stated—I am giving the substance of his reply—that this article would not convey any very serious meaning to anybody who had a good knowledge of English. And it was after that that the Honourable the Leader of the House got up and expressed himself in the manner that he did stating that this was a scurrilous kind of article and that he was going to take the responsibility on behalf of Government, of sending down the questions and the answers to the Bombay Government.

Mr. T. Sloan : May I, in defence of myself, explain that when I answered the question to which Mr. Neogy has referred, I was dealing with the interpretation placed upon the original article, namely, that it meant that the judicial punishment of flogging should be used. It was with reference to that, I explained that the article could not bear that interpretation.

Mr. K. C. Neogy : I am very glad to hear that my Honourable friend is not in disagreement with the Leader of the House, but this is what he said :

“The Government of India do not propose to call the attention of the Government of Bombay to a reply which explains the obvious meaning of the article.”

He thought that it was a satisfactory explanation which the Editor of the *Daily Gazette* had given in a subsequent issue and nothing need be

done. That, seemed to be his attitude. However, Sir, addressing myself to the constitutional issue that has been raised in this House, I am again very much doubtful as to whether the Honourable the Home Member has gone carefully through the answers that were given in the House yesterday, because if he had done so, he would have found that there was a question put to the Joint Secretary of the Home Department as to whether any action was contemplated against the *National Call* which is published in Delhi and which admittedly gave the widest publicity to this particular article. The Honourable the Joint Secretary stated :

“ Whether the *Daily Gazette* of Karachi reaches Delhi or not, I cannot say, but the article was substantially reproduced in the *National Call* which, I understand ”,

—well, Sir, as the representative of the Home Department, he is under some doubt about it,—

“ which I understand is published in Delhi ”.

The next question from me was :

“ Was any action contemplated against the *National Call* by the Government of India ? ”

The answer was :

“ No, Sir.”

Now, Sir, as regards this particular point, I am addressing the Local Government for the Delhi Province today in this House which is the Local Legislature for the Delhi Province. I want to know from the Honourable the Home Member as to whether it is not quite incumbent upon the Government of the Delhi Province, for which he is himself directly responsible, to take the necessary legal action in matters of this kind. What did we find ? The Government said that they had not taken care to obtain even legal opinion in the matter although the Joint Secretary of the Home Department stated that this had been published in a paper which has got a wide circulation in the Delhi Province.

The Honourable Sir Harry Haig : The Honourable Member seems to be under some misapprehension as to the relations between the Government of India and the Chief Commissioner of Delhi. We do not directly administer the Province of Delhi, the primary administration is carried on by the Chief Commissioner. I admit, Sir, that we answer questions in this House and keep a much closer watch on the affairs of the Delhi Province than we do on those provinces which have their own Legislatures ; but with regard to the *National Call*, I do not understand why we should take any action. Our general position is that we do not attach any particular importance to this article and it is entirely in accordance with that that we do not consider it necessary to initiate any action with regard to the *National Call*.

Mr. K. C. Neogy : The Honourable the Home Member has not obliged this House with an explanation as to the nature of relation that subsists between the Government of India and the Delhi Province beyond stating that the Chief Commissioner is primarily responsible. But I want the Honourable Member to tell this House as to whether the administration of Delhi is on the same constitutional footing as the Government of any provincial administration in India.

The Honourable Sir Harry Haig : I have just explained to the House and I do not want to weary the House by saying it again that that is not so.

Mr. K. C. Neogy : I take it that it is not merely courtesy that prompts my Honourable friend to answer questions that are put by Honourable Members on this side of the House regarding the administration of Delhi. There is something constitutional about it which gives this House the right to discuss affairs of the Delhi Province.

The Honourable Sir Harry Haig : I have just explained that the reason is that the Delhi Province has no Legislature of its own.

Mr. K. C. Neogy : Therefore, I say, this is the Local Legislature for the Delhi Province, and, I take it, the Government of India is the Local Government of the Delhi Province, the only Government which we can address in regard to matters concerning the Delhi Province and the only Government which is responsible for replying to our questions and our criticisms in regard to the Delhi Province. Now, Sir, the Delhi Province is described as a centrally administered area and my Honourable friend would perhaps care to explain what that means. However, Sir, that is rather a minor point. I am very much interested to hear from my Honourable friend that the reason why the Government of India did not think of taking any legal action or even taking any legal opinion, let alone any legal action, was that they did not attach any weight to this article. Now, Sir, it is a very serious question. We, I claim, are the people who can say what effect such an article is likely to produce upon the Indian people, and not the Government of India, not even the Home Member.

The Honourable Sir Harry Haig : Then, I hope, Sir, the Honourable Member will agree to put this matter to the vote of the House.

Mr. K. C. Neogy : The Honourable Member's strength in making that statement lies in the knowledge of the extent to which his Government has succeeded in demoralising this House.

Now, Sir, I turn to another gentleman who spoke of this constitutional issue. My Honourable friend, Mr. James, from Madras, thinks that this is such a trivial matter or perhaps that this is so peculiarly a provincial matter that we are not justified in bringing this up for discussion in this House. May I remind....

Mr. F. E. James : I did not say anything of the kind. I merely said that I thought there was no justification for the exercise by the Government of India of their power of superintendence, direction and control. This is a very different thing.

Mr. K. C. Neogy : My Honourable friend referred to the sensitiveness of the Provincial Governments, and, I take it, his point was that that sensitiveness would be hurt if this Legislature were to say anything with regard to the indifference of the Bombay Government in this matter. Sir, may I remind my Honourable friend that it was exactly a year ago that he was responsible for moving an adjournment of this House and that was for drawing attention to the attempted assassination of the Editor of the *Statesman* in Calcutta ?

Mr. F. E. James : May I again rise to interrupt my Honourable friend ? I am sorry to interrupt him, but that adjournment motion was moved by my Honourable friend, Mr. George Morgan, with reference to an attack on the life of Sir Alfred Watson following on a dastardly outrage at Chittagong where several people lost their lives. I suggest to my Honourable friend, as he has raised this question, that looking at the two

things from their proper standpoint and perspective, there is a great deal of difference between the one and the other.

Mr. K. C. Neogy : My Honourable friend will at once see my point if he will permit me to proceed, I am glad to be corrected that it was not he who moved the motion, but that it was my Honourable friend from Bengal. But he spoke in support of that motion as far as I remember.

Now, Sir, my point is this. Supposing, as a result of this provocation, a similarly dastardly outrage,—God forbid,—were to happen and a hot-headed youth were to take similar action in Karachi, my Honourable friend would be the first to move this House by way of an adjournment motion. That certainly would be in order according to my Honourable friend and his friends sitting on those Benches. What we are doing is to try and seek the aid of Government to prevent such a contingency arising ; we are anxious to prevent bad blood being created. There is enough of it already and more bad blood....

Mr. F. E. James : I am sorry to interrupt my Honourable friend, but may I ask him a direct question ? Why did he not make that attempt two years ago ? It might have prevented many of the outrages happening in Bengal ?

Why did not my friend take the same attitude with regard to the Press in Bengal as he is now taking with regard to a stupid article in a very small paper ?

Mr. K. C. Neogy : Why did not my friend himself suggest action to be taken against the *Statesman* for inciting a reign of Black and Tan in Bengal which directly led to certain outrages on Indians in Chittagong ? My Honourable friend should, before he gets up to interrupt me, examine the strength of his own case.

Now, Sir, as I was saying, our attempt is to prevent bad blood being increased between the two communities and we want the assistance of Government in this matter, so that, by any effective action taken in cases of this character, they may demonstrate to the country that they were not sleeping over such matters merely because they relate to the Anglo-Indian Press and not to the Indian Press. Sir, I do hope the object of this adjournment motion will not be misunderstood on the other side. What we say is that Government should take the necessary action in this matter after consulting their legal advisers so that more bad blood may not be created and outrages may be prevented of the character that took place unfortunately in Calcutta only a year ago.

Mr. F. E. James : You are a bit late in the day.

Mr. K. C. Neogy : Sir, I do not think I need deal with any other point referred to by the Honourable the Home Member. After more or less half-heartedly condemning the article, he said that the question of taking legal action was a quite different matter. I should like the Honourable Member to get up and say as to why it is quite a different matter. Why is mere half-hearted condemnation considered by Government to be sufficient in this matter, and why is not legal action contemplated ? Why should not legal action be taken, for instance, against the newspaper which is published in Delhi and which gave the widest publicity to this scurrilous article ?

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa : Muhammadan) : Sir, I am very sorry to say that now-a-days the attitude of Government is very unsatisfactory and condemnable. What we find now-a-days in replies to our questions is that the Government Members do not show us even the courtesy of reading the articles referred to in our questions. Even when letters referred to in our questions are with their subordinates, they do not take the trouble of reading them. What happens is that the Railway Department acts like Sir Thomas Ryan's Department, *i.e.*, the Postal Department and my Honourable friend, Mr. Rau, says that he will send the question to the Agent and then he writes to the Agent that there is no need of any reply from him and he may take any action he likes. Then there is the Education, Health and Lands Department which does not want to do the duties of the Postal Department and does not take even the trouble to send these questions to the Local Governments. The Honourable the Finance Member and the Army Secretary are in reserved compartments, while the Political Department is a secret society. In the Home Department, Sir, there is perfect home rule. This is the attitude of Government now-a-days. I want to warn Government that this is the attitude which is responsible for all these terrorist activities (Applause) in the country as proved by what happened a year or two ago in Calcutta. Then an attempt was made on the life of an editor. This attitude works in the minds of the young men, but this side has always condemned these ideas. But when it is a case of Anglo-Indian papers, Government do not want to take any action against them.

I want to ask them, what is the harm if you bring a case against the Anglo-Indian papers ? They will be punished with a fine of Rs. 500 or Rs. 1,000. You can repay them those thousand rupees by way of advertisements. (Laughter.) You are always giving those advertisements to those papers and, so, what is the harm ? You will get something from them from one pocket and put it back in another in another way. (Hear, hear.) What is the harm in bringing cases against these papers ?

Mr. D. K. Lahiri Chaudhury (Bengal : Landholders) : That is a nice way of balancing the budget.

Mr. M. Maswood Ahmad : That is a homely affair of the Home Department.

This is an all-India question. I have great respect for Mahatmaji. I put a question yesterday to my Honourable friend, sitting just behind the Home Member, and it was " I want to know whether Government are aware that these articles have injured the feelings of people who live in the area administered by the Central Government ". It was a very simple question ; and what was the reply to it ? It should merely have been that the Government are aware that those feelings had been injured. But, no. The same attitude, which the Government took in replying to Mahatmaji, in reply to his telegram—no—was shown : the Joint Secretary said : " The Government are not aware of the feelings of all the people who have read this article." It is quite strange that, after so many supplementary questions, which were put here, they should say that they were not aware of this fact. When he was asked by Sir Cowasji Jehangir whether the Government were now prepared to consider this question, what was the harm in saying : " Yes ; Government are prepared now, after seeing the feelings of the House, to consult the Law Member." But, no. Government do not propose even to consult the Law Member. Certainly this is.

an attitude of the Government which we should all censure. We cannot encourage this sort of reply. Sir, had this article been issued only in those areas, which were under Local Governments, they would have been right in saying that they were sending this article and these questions and answers to the Local Governments. But that is not the case. That article was published in Delhi as well and the attention of the Government was drawn to this fact as well. When this article had been published in areas administered by the Central Government and there is no Council there, the people of those areas cannot bring those facts to the notice of the Home Member ; and so we brought this matter to his notice ; but even then the Government did not propose to take any action. I ask Government, if they are not even prepared to show this much courtesy that such articles, which injure the feelings of thousands and millions in India, and which may endanger the peace of the country, should be placed before the Court : are they not prepared to place it even before the Law Member and to consult him ? The reply is that they are not prepared to do anything. They always say : " Trust us ; we will do everything ". Take the case of the Reserve Bank Bill. They say " Trust us ", " We are doing this, that and the other ". But mere promises cannot do anything. When I see their practice, how they work these things, I find that everything is quite different. They do not even care for our feelings.

Sir, certainly I hope my Honourable friend will remember the words expressed by Lord Irwin and by other great men of Great Britain about Mahatmaji. With all the differences with Mahatmaji, I do not hesitate in saying that he is a great man ; he is respected not only by Hindus, he is respected by all in India. He is not respected by Indians only : rather the world respects him. He is an old man. He is a religious man. When for such articles written against such a man the Government are not prepared to take any action, their case is indefensible. Certainly this attitude of the Government is shameful and condemnable. (Applause.)

Apart from the attitude of the Government, I will ask my friend that so far as the attitude of my Honourable friend, the Joint Secretary, is concerned, we must consider that after all he was a new man here and he had opened his lips, as far as I remember, for the first time in this Assembly ; and, so anything which would have been said loosely by him, we should not take it very seriously. (Laughter.) But so far as the attitude of Government is concerned, certainly the attitude of Government is condemnable. Today also I found a speech from my Honourable friend, Mr. Sarma. He is the habitual supporter of the Government (Laughter), and so we should not take any notice of him. (Laughter.) There are men amongst us as well who sit on the opposite side and who have voted against the question of the mosque in Delhi. The mosque was called the Kucha Rahman Mosque. As those Members who are Nominated Members, we should not take them seriously. (Laughter.) After all, we represent here our constituencies and they represent their constituencies. (Loud Laughter.) They also have got, after all, a constituency which nominate them. Certainly it is their duty to satisfy their constituency. If I do not satisfy my constituency, certainly when I go out, they will come down upon me and say : " You did not represent us well ". The same is the case with Mr. Sarma : if he had not made this speech, the Department which has nominated him, can ask him : " Why did you not support us when we have nominated you ? " (Loud Laughter.)

[Mr. M. Maswood Ahmad.]

Just now, I heard my Honourable friend, the Home Member, say that votes should be taken on this subject. For the first time in the tenure of his office, I am sorry to see that he has lost his temper. I have never before seen him losing it. He always gives replies, some time laughing and some time with a smiling face. He always attempts to satisfy the House ; but I am surprised to see what forced him to stand and say : “ Very well, come and decide this question by vote ”. (Laughter.).....

The Honourable Sir Harry Haig : Why are we debating ? What is the object of our debate ?

Mr. M. Maswood Ahmad : It means that my Honourable friend also wanted to satisfy his constituency. (Laughter.)

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. The House now stands adjourned till Eleven O'clock tomorrow.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 13th September, 1933.