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THE
LEGISLATIVE ASSEMBLY DEBATES

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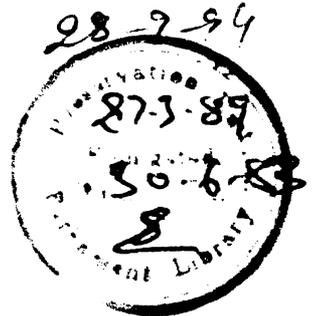
(20th November to 9th December, 1933)

SIXTH SESSION

OF THE

FOURTH LEGISLATIVE ASSEMBLY

1933...



Legislative Assembly.

President :

THE HONOURABLE SIR SHANMUKHAM CHETTY, K.C.I.E.

Deputy President :

MR. ABDUL MATIN CHAUDHURY, M.L.A.

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SIR LESLIE HUDSON, K.T., M.L.A.

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Assistant of the Secretary :

RAI BAHADUR D. DUTT.

Marshal :

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

Committee on Public Petitions :

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SIR LESLIE HUDSON, K.T., M.L.A.

MR. B. SITARAMARAJU, M.L.A.

MR. GAYA PRASAD SINGH, M.L.A.

KUNWAR HAJEE ISMAIL ALI KHAN, O.B.E., M.L.A.

MESSLAD

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LEGISLATIVE ASSEMBLY,

Friday, 1st December, 1933.

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

QUESTIONS AND ANSWERS.

NECESSITY FOR A TRADE MARKS LEGISLATION IN INDIA.

1223. ***Mr. S. O. Mitra:** (a) Has the attention of Government been drawn to a leading article which appeared in *The Forward*, a newspaper of Calcutta, in its issue dated Sunday, the 8th October, 1933, pleading for a Trade Marks Act in India?

(b) Is it a fact that, as alleged by the paper in question, India is the only country in the civilised world which has no trade marks law of its own?

The Honourable Sir Joseph Bhoré: (a) Yes.

(b) There is no law specifically providing for the registration of trade marks in this country, Government are not aware whether or not any other country is in the same position.

NECESSITY FOR A TRADE MARKS LEGISLATION IN INDIA.

1224. ***Mr. S. O. Mitra:** (a) Will Government be pleased to state whether their attention has been drawn to the statement made on the floor of the House of Commons by the Secretary of State for India during the last winter session that the question of introducing the necessary legislation on the subject of trade marks in India was engaging the attention of Government?

(b) Has Government's attention been drawn to the statement made by the Secretary of State in reply to a supplementary question in the House of Commons at the same meeting, in which the Secretary of State agreed that the absence of such legislation in India affected adversely British trade marks in this country?

(c) Do Government propose to take any action thereon? If so, what and when? If not, why not?

The Honourable Sir Joseph Bhoré: (a) The Honourable Member is presumably referring to the reply given by the Secretary of State for India to Mr. Hannon's question in the House of Commons on the 1st May, 1933. The Secretary of State merely stated that he had no doubt that the Government of India would give due weight to the resolution of the Indian Chambers of Commerce recommending introduction of legislation for the registration of trade marks in India.

(b) No such statement appears to have been made by the Secretary of State for India.

(c) The question of undertaking legislation for the registration of trade marks is engaging the attention of the Government of India.

Mr. S. C. Mitra: May I know for what length of time this law is being contemplated, and is it likely that Government will be able to take action in this matter in near future?

The Honourable Sir Joseph Bore: I am afraid I cannot give my Honourable friend any precise information on that point, but I can assure him that I personally recognise the importance of this matter.

INFRINGEMENT OF LANCASHIRE TRADE MARKS IN INDIA.

1225. ***Mr. S. C. Mitra:** (a) Will Government be pleased to state whether their attention has been drawn to a cable sent by Reuter from London on October 27, 1932, on the subject of infringement of Lancashire trade marks in India and published in the *Statesman* of that date?

(b) Will Government be pleased to state whether the allegations made by the Chairman of the India Committee of the Manchester Chamber of Commerce that although common law gave protection to trade marks, in India such legal process was always uncertain, difficult and costly and that the Japanese knew and took advantage of them, have received the Government's consideration? If so, what action do they propose to take? If not, why not?

The Honourable Sir Joseph Bore: (a) Yes.

(b) The statement referred to related mainly to cases of infringement of trade marks and designs on piecegoods imported from the United Kingdom. The existing law provides a simple remedy for such infringements in so far as they fall within the mischief of clause (d) or clause (e) of section 18 of the Sea Customs Act, 1878. In the course of their examination of the question of enacting an Indian Trade Marks Act, Government will no doubt have occasion to consider whether further provision on the point is required.

Mr. J. Ramsay Scott: Will Government consider the Japanese law on this question which reads as follows:

"The importation of the articles mentioned below is prohibited: '(4) Articles which infringe rights in patents, utility models, designs and trade-marks and copy rights'."

The Honourable Sir Joseph Bore: Government will consider all relevant matters in this connection.

DISPUTES ARISING IN RESPECT OF TRADE MARKS IN INDIA.

1226. ***Mr. S. C. Mitra:** (a) Will Government be pleased to state whether it is a fact that disputes arising in respect of trade marks in India have been on the increase during recent years?

(b) How many disputes arose in each Province before the War?

(c) How many disputes arose after the War?

(d) Are Government aware of conflicting decisions by High Courts in trade marks disputes?

(e) Will Government be pleased to lay on the table a list of cases filed in District and other Courts and also those in High Courts?

The Honourable Sir Joseph Bhore: (a) Government have no information.

(b) to (e). The information is not readily available and the Government of India do not consider that the expenditure of time and labour involved in collecting it will be commensurate with the value of the results that are likely to be obtained.

INTRODUCTION OF A BILL FOR THE PROTECTION OF TRADE MARKS IN INDIA.

1227. ***Mr. S. O. Mitra:** Will Government be pleased to state :

- (a) whether the Indian commercial community has been asking for the introduction of a Bill for the protection of Indian trade marks in India;
- (b) whether the Indian Commercial and Industrial Congress, now known as the Federation of Indian Chambers of Commerce and Industry, actually passed a resolution at one of its sessions demanding such legislation;
- (c) whether the Associated Chambers of Commerce of India and Ceylon have been making or have made a similar demand;
- (d) whether any representation bearing on the subject has been received from British manufacturers in England;
- (e) whether the Sheffield Company submitted a memorandum on the subject pleading for effective legislation on the subject in India;
- (f) whether all the other important commercial bodies of Great Britain also supported that demand;
- (g) whether any commercial body in Great Britain was opposed to such trade mark legislation in India;
- (h) if the answer to part (g) be in the affirmative, the reasons adduced by them;
- (i) whether it is a fact that in view of the piracy of a number of Lancashire trade marks by Japan during recent years, even those commercial bodies that were originally hostile to the introduction of trade marks legislation in India have now revised their views on the question and would favour such legislation?

The Honourable Sir Joseph Bhore: (a) to (c). The answer is in the affirmative.

(d) None in recent years.

(e) Yes, in 1902.

(f) Some of them did so.

(g) and (h). Yes, the Manchester Chamber of Commerce. The reasons for their opposition were explained in a communication addressed by them to the Association of the Chambers of Commerce of the United Kingdom, dated the 12th May, 1903, of which a copy is placed on the table.

(i) Government are aware that commercial opinion on this subject has undergone a change, but they are unable to say whether the change is due to the alleged piracy of Lancashire trade marks by Japan.

FROM ELIJAH HELM ESQ., SECRETARY, CHAMBER OF COMMERCE, MANCHESTER, TO EDWARD W. FITHIAN, ESQ., NO. F.-12, 451, DATED THE 12TH MAY 1903.

The Board of Directors of this Chamber has had under consideration the question of Trade Marks Registration in India referred to in your Circular No. 458.

I am directed to inform you that the Manchester Chamber has long been opposed to the separate registration of trade marks in India. Its opposition is founded partly upon long and abundant experience of trade marks administration with reference to the cotton classes (Nos. 23, 24 and 25). When the British Act of 1883 was under consideration the difficulty was foreseen of securing proper registration in these classes owing to the enormous number of marks in use and the necessity of determining beforehand which marks were common property and which were justly capable of appropriation. A Committee of this Chamber was therefore constituted at the request of the Government, and after many months of arduous labour a classification on these lines was made. That Committee (the Trade and Merchandise Marks Committee of the Chamber) still retains some of its original members, and to it have been referred by the Registrar, ever since 1883, all doubtful applications in the cotton classes.

The work of deciding upon such references which is constantly going on cannot be satisfactorily conducted except by persons of large experience, and such it is impossible to obtain in India whether from officials or non-officials. In so far as these classes are concerned, therefore, the establishment of a Trade Marks Registration Office in India would inevitably lead to confusion, and would invite infringement and litigation.

Moreover, Lord Herschell's Clause of the Merchandise Marks Act, section 3 (2), has been found to be highly efficient for the protection of proprietary rights in even non-registered marks. There are in India merchants in Manchester possessed of thousands of marks who constantly rely upon it and have in fact many hundreds of marks which they are able successfully to retain under that clause without registration. I should add that the Indian Merchandise Marks Act contains a similar clause which has been found effectual for its purpose.

INTRODUCTION OF A BILL FOR THE PROTECTION OF TRADE MARKS IN INDIA.

1228. *Mr. S. C. Mitra: Will Government be pleased to state :

- (a) whether India is not, and cannot be, a member of the International Convention for the protection of industrial property;
- (b) whether such disability arises out of the absence of trade marks legislation in India;
- (c) whether Indian inventors have to file their applications for foreign patents (exclusive of Great Britain and her Dominions and Colonies) before any publication has taken place in India;
- (d) whether they are aware that this difficulty can be obviated by India joining the International Convention for the protection of industrial property;
- (e) whether, with a view to removing this difficulty they propose to introduce a Trade Marks Bill in this House?

The Honourable Sir Joseph Bhore: (a) and (b). India is not a party to the International Convention for the Protection of Industrial Property and she cannot accede to the Convention until she adopts a system of statutory registration of trade marks and establishes a special Government Department for the protection of industrial property.

(c) and (d). The answer is in the affirmative.

(e) The Honourable Member is referred to the answer to part (c) of question No. 1224.

EXISTING TRADE MARKS IN INDIA.

1229. ***Mr. S. C. Mitra:** (a) Will Government be pleased to state whether there is any method whereby one can ascertain existing trade marks in India?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to lay on the table a statement on the subject?

(c) If the answer to part (a) be in the negative, will Government be pleased to state the reasons therefor?

The Honourable Sir Joseph Bhore: (a) and (c). Government have no information as trade marks are not officially registered.

(b) Does not arise.

DIFFICULTY EXPERIENCED BY INDIAN MERCHANTS IN SELECTING A NEW AND DISTINCTIVE TRADE MARK FOR MARKETING THEIR PRODUCTS.

1230. ***Mr. S. C. Mitra:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the great difficulty experienced by Indian merchants in selecting a new and distinctive trade mark for marketing their products in the absence of facilities for an examination of existing and other trade marks, and a central registration office;
- (b) whether there is any means by which the ownership of a current trade mark can be ascertained;
- (c) how the respective territorial rights can be determined in case of concurrent use of the same trade mark by different persons in different parts of this country?

The Honourable Sir Joseph Bhore: (a) The Government of India have received certain representations on the subject which are under their consideration.

(b) and (c). In the absence of any system of official registration the Government of India are unaware of any method of ascertaining the rights in question other than recourse to the civil courts.

EXISTING TRADE MARK DECLARATIONS.

1231. ***Mr. S. C. Mitra:** (a) Will Government be pleased to state whether they are aware that such trade mark declarations as are now made before the Registrar of Assurances and Chambers of Commerce do not afford any protection?

(b) Are Government aware that in practice the existing system has been found by Indian merchants to be useless, as no search for anticipation is being made in these cases?

(c) Are Government aware that the number of such declarations made before the Registrar of Assurances has increased during recent years?

(d) Are Government aware that apart from the Registrars of Assurances and a few recognised commercial bodies, a number of unauthorised private bodies are taking advantage of the increasing demand for trade mark registration and are issuing spurious certificates of registration of trade marks which have been entered in registers kept with them?

(e) Are Government aware that similar difficulties arose in other countries also, as for instance in China, till recent years in the absence of a trade marks Act?

(f) Do Government propose to introduce legislation for registration of trade marks in this country at an early date?

The Honourable Sir Joseph Bhowe: (a), (b) and (f). The Government of India have received certain representations on this subject which are engaging their attention.

(c) to (e). Government have no information.

REGISTRATION OF TRADE MARKS IN CERTAIN FOREIGN COUNTRIES.

1232. ***Mr. S. C. Mitra:** Will Government be pleased to state:

(a) whether they are aware that Austria, Denmark, Germany, Greece, Portugal, Italy, Russia, Spain, France, Sweden, Switzerland and many other countries insist on a certified copy of the corresponding Indian registration being filed with any Indian application for the registration of trade marks in those countries;

(b) whether it is a fact that in the absence of an Indian Trade Mark Act Indian applicants are refused registration facilities in those countries;

(c) whether they are aware that the practice obtaining in many of these countries is that priority of registration entitles one to ownership of a particular trade mark even if such mark or marks may have been used for a considerable time in those countries by some Indian merchants who are denied facilities for registration on account of the difficulties mentioned in part (a) above?

The Honourable Sir Joseph Bhowe: With your permission, Sir, I will answer questions Nos. 1232 and 1233 together.

With no Trade Marks Act in force in India it is impossible for Indian Trade Marks to enjoy the benefits which the Honourable Member has in mind in any country the law of which proceeds on the basis of reciprocity. The relevant provisions of the United Kingdom law are contained in section 91 of the Patents and Designs Act, 1907, and I am prepared to take it from the Honourable Member that the law in force in the countries mentioned in part (a) of question No. 1232 proceeds on similar

lines. Equally with no Trade Marks Act in force in India, there it is no question of foreign or United Kingdom trade marks receiving the converse of these benefits in India. As stated in the reply to previous questions, the desirability of enacting an Indian Trade Marks Act, is under consideration. In the meantime the only differential treatment accorded by the law of India to trade marks registered in the United Kingdom or protected by law in a British Possession or foreign country to which the provisions of section 91 of the Patents and Designs Act, 1907, are for the time being applicable, is that by virtue of section 478 of the Indian Penal Code trade marks so registered do not require to be proved to be trade marks for the purposes of a prosecution under sections 480 to 486 of the Indian Penal Code.

RECOGNITION IN INDIA OF BRITISH TRADE MARKS REGISTERED IN ENGLAND.

†1233. ***Mr. S. O. Mitra:** Will Government be pleased to state:

- (a) whether it is a fact that British trade marks registered in England get recognition *ipso facto* in this country;
- (b) whether they are aware that evidence of the long use of a trade mark by an Indian merchant in India does not necessarily entitle him to claim prior ownership of his trade mark in England, if the same trade mark had not been registered or used in England;
- (c) whether it is a fact that facilities given to British trade marks in India referred to in part (a) above are not extended to Indian trade marks in England; and whether foreign merchants in India get better protection of their trade marks than the Indian traders;
- (d) what steps Government propose to take in order to remove the difficulty of the Indian merchants in the matter?

INTRODUCTION OF A BILL FOR THE PROTECTION OF TRADE MARKS IN INDIA.

1234. ***Mr. S. O. Mitra:** (a) Will Government be pleased to state:

- (i) how many disputes arose concerning "passing-off" actions in every Province before the War;
 - (ii) how many arose after the War;
 - (iii) how many of these related to questions of ownership;
 - (iv) how many related to disputes regarding distinctiveness;
 - (v) how many of these cases were amicably settled?
- (b) Are Government prepared to introduce a Trade Marks Bill at an early date to remedy such defects?

The Honourable Sir Joseph Bhore: (a) The information is not readily available and the Government of India do not consider that the time and expense involved in collecting it will be at all commensurate with the value of the results that are likely to be obtained.

†For answer to this question, see answer to question No. 1232.

(b) As stated in reply to previous questions the Government of India have already under consideration the question of introducing legislation for the registration of trade marks in India.

DISSATISFACTION ABOUT THE SYSTEM OF EDUCATION AND EXAMINATIONS.

1235. ***Dr. Ziauddin Ahmad:** (a) Are Government aware that there is a good deal of dissatisfaction in the country about the system of education and examinations in principle as well as in detail? Do Government propose to take any steps for a proper enquiry? If so, what?

(b) Do Government propose to seek the advice of the League of Nations in investigating the problem of education at the expense of the League in the same manner as the Chinese Government did a few years ago?

Mr. G. S. Bajpai: (a) Every educational system is capable of improvement and is subjected to criticism. As the Honourable Member is aware education is primarily a provincial concern now and the decision as to whether an enquiry is necessary rests with Local Governments.

(b) No.

Mr. Amar Nath Dutt: May I ask, Sir, whether the policy that was foreshadowed in the despatch of Sir Charles Wood, grandfather of Lord Irwin, has been strictly followed or whether there has been any change in the policy after the recommendations of the University Commission?

Mr. G. S. Bajpai: So far as I am aware, Sir, the basis of educational policy today, with such changes as the lapse of time has necessitated, is the same as outlined by Sir Charles Wood in his despatch.

Mr. S. G. Jog: May I ask whether the Government of India as such have got any hold on the Provincial Governments so far as the policy in education is concerned?

Mr. G. S. Bajpai: None, Sir.

Dr. Ziauddin Ahmad: Are Government satisfied that there is a very strong dissatisfaction among the people on this subject?

Mr. G. S. Bajpai: Judging from the Honourable Member's utterances in the House and his writings outside, I should say that there is dissatisfaction at least in one quarter.

Mr. Amar Nath Dutt: Is it due to the recommendations of the University Commission of which my Honourable friend was also a Member?

Mr. G. S. Bajpai: I am not aware of that.

Dr. Ziauddin Ahmad: Is the Honourable Member not familiar with the speeches that are delivered in Educational Conferences, both All-India and Provincial?

Mr. G. S. Bajpai: There are so many Educational Conferences now-a-days that it is impossible to be familiar with all that is said in those Conferences.

Dr. Ziauddin Ahmad: There is one common factor in all, dissatisfaction.

Mr. G. S. Bajpai: I hope the Local Governments will take due notice of that dissatisfaction.

Dr. Ziauddin Ahmad: May I ask whether Government have washed off their hands for all responsibilities as regards educational policy in the provinces?

Mr. G. S. Bajpai: It is not for the Government of India to wash their hands of any responsibility. The position follows from the Government of India Act.

Dr. Ziauddin Ahmad: Is not the position the same with regard to agriculture? What is the justification in having a special officer for agriculture at the centre and not having the same there for education?

Mr. G. S. Bajpai: As regards that, my Honourable friend is fully aware that, for the purpose of co-ordination, we propose to set up a Central Advisory Council on Education.

Dr. Ziauddin Ahmad: So you propose to have a similar thing for education?

Mr. G. S. Bajpai: The intention of Government is to set up a Central Advisory Body in regard to education.

Mr. S. G. Jog: Is it not advisable that there should be an all-India educational policy?

Mr. G. S. Bajpai: That is asking for an expression of opinion.

Mr. Lalchand Navalrai: May I know if there is any revisional power with the Government of India to cure the defects that are pointed out in the working of the educational policy by Provincial Governments?

Mr. G. S. Bajpai: Education is entirely a transferred provincial subject.

Dr. Ziauddin Ahmad: Is it not a fact that the Government of India misguides the whole public about the educational policy and now they are leaving the provinces in the dark and do not help them to get out of their difficulties?

Mr. G. S. Bajpai: So far as the Government of India are concerned, they have laid no blinkers on the eyes of the Local Governments or any particular individual.

NOMINATION OF LADIES TO THE LEGISLATIVE ASSEMBLY.

1236. ***Mr. Gaya Prasad Singh:** Have any representations been received from any associations or individuals, suggesting the nomination of ladies to the Legislative Assembly in view of certain measures affecting their interests pending in this House?

The Honourable Sir Brojendra Mitter: No such representations have been received in recent years.

Mr. S. G. Jog: Were any such representations received in old days?

The Honourable Sir Brojendra Mitter: I understand there were some representations made some years ago, but not in recent years.

Mr. S. G. Jog: Does the Honourable Member mean to say that this agitation has been given up by the ladies and that they are not keen about membership in the Assembly?

The Honourable Sir Brojendra Mitter: I do not suggest anything of that sort.

Sir Cowasji Jehangir: Does my Honourable friend mean to say that ladies were more enlightened in days of old?

The Honourable Sir Brojendra Mitter: At any rate it seems they were more enterprising.

Mr. Amar Nath Dutt: Will the Honourable Member consider the advisability of having the wives of the Members of the Assembly nominated according to the new electoral rules?

Mr. President (The Honourable Sir Shanmukham Chetty): That might interfere with the freedom of speech of certain Honourable Members. (Laughter.)

Mr. Gaya Prasad Singh: In view of the fact that certain measures pending in the House affect the rights of women, do Government consider the desirability of nominating some ladies to help us in the discussion of these measures?

The Honourable Sir Brojendra Mitter: We shall be prepared to consider the suggestion, but I hold out no hopes.

Mr. S. G. Jog: Is it not a fact that certain Provincial Governments have nominated some ladies in the Provincial Councils?

The Honourable Sir Brojendra Mitter: I think Madras has done so, but I have no definite information about it.

Sir Leslie Hudson: Bombay has done so.

An Honourable Member: And also U. P.

Mr. Gaya Prasad Singh: Why should the Central Government lag behind Provincial Governments in this matter?

Mr. E. S. Sarma: Because Provincial administrations are better in this respect.

PROSCRIPTION OF CERTAIN BOOKS BY MR. RASH BEHARI BOSE, NOW
DOMICILED IN JAPAN.

1237. *Mr. Gaya Prasad Singh: Will Government kindly state whether the following books by Mr. Rash Behari Bose (79 Sanchome, Onden, Shibuya-Kee, Tokyo-Japan), and a new monthly pamphlet *The New Asia*, edited by him, have been proscribed in India:

- (i) Indian Folk Tales,
- (ii) India in Revolution (Kakeemei no Indo),
- (iii) Shikkokee no Indo (translation of India in Bondage)?

The Honourable Sir Harry Haig: I would invite the Honourable Member's attention to the reply given by me on the 29th August, 1933, to his question No. 154. I have nothing to add to that reply.

Mr. Gaya Prasad Singh: I wanted to know whether the pamphlet "New Asia" has been proscribed or not, because I have received a copy of that pamphlet, and, if it is proscribed, I should like to make a present of it to the Home Member.

The Honourable Sir Harry Haig: I should be glad if the Honourable Member would take that course, because the pamphlet has been proscribed.

Mr. Gaya Prasad Singh: What about the other three books? I have not received any copies of the same, but I should like to know whether they are also proscribed?

The Honourable Sir Harry Haig: There is a general proscription as I explained in August last.

Mr. Gaya Prasad Singh: What should I do with the "New Asia" which has been sent to me?

The Honourable Sir Harry Haig: I would invite the Honourable Member to hand it over to me.

ALLEGATIONS AGAINST THE BRITISH INDIA STEAM NAVIGATION COMPANY.

1238. *Mr. Gaya Prasad Singh: (a) Is it a fact that a number of Oriyas, residing in Rangoon and elsewhere, have recently submitted a representation (a copy of which I am forwarding to the Department concerned) to the authorities of the British India Steam Navigation Company, protesting against the recent increase in fares to Coromandal ports, fixing them at a "uniform rate for all ports irrespective of distances and conveniences of embarkation and disembarkation", and also against the system of "paying commission to some of the hotel-keepers in 27th Street, Rangoon, on account of passenger brokerage", alleging in the representation that the hotel-keepers "are supplying the worst food to the passengers during their stay in Rangoon, and charge unreasonably high rates, and that those hotel-keepers get the tickets from the Company, and sell them at a premium"?

(b) Do Government propose to enquire into the allegations, and make a statement on the matter, stating what action, if any, is contemplated?

The Honourable Sir Joseph Bhore: (a) Government have received the copy supplied by the Honourable Member of the representation in question.

(b) Government are not directly concerned in the matter, but are making inquiries.

Mr. B. Das: Is it not causing undue hardship on the Oriya and the Telugu people who travel through the Coromandel coast to Rangoon that the B. I., in collaboration with the Scindia Company, should raise its rates very high?

The Honourable Sir Joseph Bhore: That, Sir, is the allegation.

Mr. B. Das: Is not the Honourable Member satisfied with the allegation that the rates have been raised unduly during the last two months?

The Honourable Sir Joseph Bhore: I take no such statements without verification.

Mr. B. Das: What are the Government doing to safeguard the interests of the travelling public when the shipping interests, and particularly the Scindia, have combined with the B. I. to raise the rates for passengers and freights?

The Honourable Sir Joseph Bhore: Government have no power to control steamship fares.

Mr. Gaya Prasad Singh: May I know whether the result of the enquiry, which the Honourable Member has promised will be communicated to this House in due course and the statement laid on the table?

The Honourable Sir Joseph Bhore: I shall certainly do so if my Honourable friend wishes it.

Mr. Gaya Prasad Singh: Yes, thanks.

†1239*—1244.*

BAD CONDITION OF THE ROAD OUTSIDE TURKMAN GATE, DELHI.

1245 ***Kunwar Hajee Ismail Ali Khan:** (a) Is it a fact that the road outside Turkman Gate, Delhi, connected with the Circular Road, was very much damaged during the last unusually heavy monsoon?

(b) Is it also a fact that the present condition of the road is absolutely *kuchcha* (unmetalled) one and it is full of dust?

(c) Are Government aware that the above road is a very important one, as it connects Old Delhi with New Delhi?

(d) If the answer to parts (a) to (c) above be in the affirmative, are Government prepared to metal the road immediately or at least issue the orders to the department concerned for watering the road till it is properly metalled?

Mr. G. S. Bajpai: Sir, with your permission, I shall answer questions Nos. 1245 and 1246 together. I am awaiting certain information from the Local Administration and shall lay a reply on the table in due course.

Dr. Ziauddin Ahmad: The place is not far away from this Chamber and at least the answer to part (a) could have been verified by the Honourable Member himself.

Mr. G. S. Bajpai: My Honourable friend wanted to know not merely what the state of the road or the dumping ground is. I am sure, he is already familiar with it. He wanted to know what action we proposed to take and, in regard to that, I am awaiting information from the Local Administration.

Mr. Gaya Prasad Singh: Is the Honourable Member expected to be familiar with the dumping ground?

Mr. G. S. Bajpai: I understand he passes every day through that neighbourhood in coming to the Assembly.

INSANITARY CONDITION OF THE AREA OUTSIDE TURKMAN GATE, DELHI.

† 1246. ***Kunwar Hajee Ismail Ali Khan:** (a) Will Government kindly inform this House as to how long it will take to remove the dumping of rubbish which is accumulated outside Turkman Gate?

(b) Are Government aware of the most insanitary condition of the area outside Turkman Gate, which is a nuisance both to Old and New Delhi?

(c) If the answer to part (b) above be in the affirmative, what action do Government propose to take to improve the sanitation and approach road to Old Delhi?

NEXT ELECTIONS OF THE LEGISLATIVE ASSEMBLY.

1247. ***Kunwar Hajee Ismail Ali Khan:** (a) Will Government kindly state the approximate date or time of the new elections of the Legislative Assembly?

(b) Will these elections take place under the existing constitution or under the new Reforms?

(c) Will Assembly elections take place simultaneously with the Provincial Councils or before or after them?

(d) When will the term of this Assembly expire?

The Honourable Sir Brojendra Mitter: (a) to (d). In the absence of resort by His Excellency the Governor General to the power of extension conferred upon him by section 63(D) of the Government of India Act, the term of the existing Assembly would expire on the 14th January, 1934. In the message communicated to the Assembly on the 6th March, 1933.

His Excellency informed Honourable Members that he proposed to exercise the power in question. I am not in a position to add anything to the contents of that message, to which the Honourable Member is referred.

Kunwar Hajee Ismail Ali Khan: What is the answer to part (c)?

The Honourable Sir Brojendra Mitter: Beyond what appeared in the message of His Excellency the Governor General to this House, I am not in a position to give any further information.

Mr. K. C. Neogy: In view of the excellent support which this House has been giving to the Government, are Government prepared to make a recommendation to His Excellency the Governor General that the life of the present Assembly should be indefinitely extended?

The Honourable Sir Brojendra Mitter: I dare say that that will suit many Honourable Members, but I do not think that we should be prepared to make any such recommendation to His Excellency.

Mr. K. C. Neogy: How ungrateful!

Kunwar Hajee Ismail Ali Khan: The Honourable Member has not said a single word about part (c) of my question.

The Honourable Sir Brojendra Mitter: I have no information.

Mr. Lalchand Navalrai: May I draw the attention of the Honourable Member to the fact that the message of His Excellency referred to the life of this Assembly, but the question is whether the Assembly election and the election to Provincial Legislatures will take place simultaneously or not. That is a direct question.

The Honourable Sir Brojendra Mitter: I cannot answer that question because I do not know when the provincial elections will take place. Provincial elections are under the control of the Governors. As to the Assembly, I cannot give any more information than what is contained in the message of His Excellency to this House.

Mr. C. S. Ranga Iyer: Are Government aware that candidates who are standing for the Assembly generally work with the candidates who are standing for Provincial Councils and, if an early statement is made as to whether the Provincial and the Assembly elections will be held simultaneously, it will considerably help the candidates in organising their election campaigns. If, on the contrary, the two elections do not take place simultaneously, the labour involved for the prospective Assembly candidates will be so great that they may have to choose their programme accordingly.

The Honourable Sir Brojendra Mitter: Sir, I fully appreciate the suggestions contained in this question, and I would refer Honourable Members to the statement which you made the other day that you had taken up this question with His Excellency and that an early pronouncement was expected.

BRITISH DOMINIONS DISCRIMINATING AGAINST INDIANS.

1248. ***Mr. B. Das:** Will Government be pleased to state which are the British Dominions that discriminate against Indians and deny them the right of Dominion citizenship?

Mr. G. S. Bajpai: The attention of the Honourable Member is invited to the reply given by the Honourable Sir Fazl-i-Husain on the 27th January, 1931, to part (b) of his question No. 73. Since that reply was given the State franchise has been granted to Indians in Queensland.

DISCRIMINATORY TREATMENT TO INDIANS IN SOUTH AFRICA.

1249. ***Mr. B. Das:** (a) Will Government be pleased to state the various disqualifications that Indians suffer in the South African Dominion and how far this discriminatory treatment was provided in the South African Constitution?

(b) Will Government be pleased to make a statement on the various anti-Indian legislations since passed in the South African Legislature?

Mr. G. S. Bajpai: (a) Under section 47 of the Union of South Africa Act only a British subject of European descent can be a member of the House of Assembly. For other disqualifications which Indians suffer I would invite the attention of the Honourable Member to the report of the Asiatic Inquiry Commission, 1920, a copy of which will be found in the Library of the House.

(b) A statement is laid on the table.

Statement showing legislation affecting Indians passed in the Union of South Africa since the Union of South Africa Act, 1910.

Legislation.	Effect of the Legislation.
<i>Union of South Africa—</i>	
1. The Immigrants' Regulation Act, No. 22 of 1913.	Immigration of any person or class of persons deemed by the Minister on economic grounds or on account of standard or habits of life to be unsuited to the requirements of the Union or any province thereof, prohibited.
2. The (Union of South Africa) Asiatics (Land and Trading) Amendment (Transvaal) Act, No. 37 of 1919.	While safeguarding existing interests the Act sought to prevent acquisition by Indians of new leases on proclaimed areas, or of property outside locations, either through nominal trustees or companies.
3. The Liquor Act, No. 30 of 1928	Asiatics in the Transvaal and the Orange Free State were prohibited from buying or possessing liquor and those who are debarred by law from buying or possessing liquor were also debarred from handling it and from working in an establishment where it is being handled. The interests of wine stewards and Indian waiters employed at the time of the commencement of the Ordinance were safeguarded by letters of exemption.
4. The Immigration (Amendment) Act, No. 15 of 1931.	The abolition of the permanent right of entry into and residence in the Transvaal which was embodied in a registration certificate granted to an Asiatic under the Asiatics Registration Amendment Act, No. 36 of 1908 (Transvaal).

Legislation.

Effect of the Legislation.

Union of South Africa—contd.

5. The Transvaal Asiatic Land Tenure Act, No. 35 of 1932. (Law relating to occupation and acquisition of land by Asiatics and coloured persons, and to provide for matters incidental thereto).
- The Transvaal Precious and Base Metals Act No. 35 of 1908 (Gold Law of 1908), was amended so as to empower the Minister of the Interior to withdraw and land from the operation of the Gold Law in so far as it prohibited residence upon or occupation of any land by coloured persons. Subject to this the law purports to make effective the restrictions intended by previous legislation regarding the ownership and occupation of landed property by Asiatics in the Transvaal.

Natal—

1. The Durban Boroughs Land Alienation Ordinance, No. 14 of 1922, and the Natal Borough and Township Lands Ordinance, No. 5 of 1923.
- Empowers local bodies concerned to lease or sell lands belonging to them to members of a particular community.
2. The Natal Boroughs Ordinance, No. 19 of 1924, and the Natal Township Franchise Ordinance, No. 3 of 1925.
- While safeguarding the electoral privileges of Indians already on the rolls, they rendered Indians ineligible for the Borough or township franchise in future.

Transvaal—

1. The Transvaal Licences Control Ordinance, 1931.
- Repealed the General Dealers (Control) Ordinance, 1926. The Ordinance does not define the grounds upon which the certificate of fitness for a license may be refused and does not provide for an appeal to the Supreme Court in cases of refusal. It is, therefore, susceptible of being administered in a spirit of racial bias.

DISABILITIES OF INDIAN RESIDENTS OF VICTORIA, CANADA.

1250. *Mr. B. Das: (a) Will Government be pleased to state the special disabilities to which Indian residents of Victoria (Canada) are subject to?

(b) What steps have Government taken so far to get the Indian residents their right of Canadian citizenship?

Mr. G. S. Bajpai: (a) Indians resident in British Columbia cannot vote for elections either to the Provincial or the Federal Legislature.

(b) Informal representations for the removal of this disability were made to the Prime Minister of Canada during his presence in London in connection with the Imperial Conference, 1930, and also at Ottawa last year.

Mr. B. Das: What was the result?

Mr. G. S. Bajpai: I am afraid hitherto there has been no change in the position.

Mr. B. Das: Did the delegates at Ottawa press it very seriously?

Mr. G. S. Bajpai: The delegates as delegates were not concerned with this question, but those of them, who informally put the matter before the Prime Minister, did put it very firmly, I believe.

Mr. B. Das: Are the signs hopeful or will the same state of things continue?

Mr. G. S. Bajpai: Optimism has been in existence since 1921, but seeing that no results have materialised so far, I am not prepared to qualify it one way or the other.

REPORT OF THE TARIFF BOARD ON THE INDIAN TEXTILE INDUSTRY.

1251. ***Mr. S. C. Mitra:** (a) Will Government be pleased to state when the report of the Tariff Board, which inquired into the Indian textile industry, is likely to be published?

(b) Is it a fact that the Tariff Board has recommended high protective duty both against Japan and Lancashire, and has opposed the principle of Imperial preference?

(c) Will Government please state why the said report has not been published?

The Honourable Sir Joseph Bhore: (a) and (c). The Honourable Member is referred to my answer to part (a) of Mr. B. Das's starred question No. 1202.

(b) The Government of India are not prepared to disclose the contents of the Tariff Board's Report before its publication.

Mr. S. C. Mitra: Has the Honourable Member's attention been drawn to the fact that many people outside this House seem to be acquainted with the report while we are denied any knowledge of it?

The Honourable Sir Joseph Bhore: If it is true that people outside this House are acquainted with the contents of that report, it certainly is not due to any leakage from my office.

Mr. B. S. Sarma: Is it a fact that a categorical summary of the conclusions of the Tariff Board was published in the *Financial News* of London?

The Honourable Sir Joseph Bhore: I am not aware of that, Sir.

Dr. Ziauddin Ahmad: Is it not a fact that ultimately this House will be required to legislate, and it is only proper that we should be given copies of this report in advance of the notification to the public?

The Honourable Sir Joseph Bhore: I shall do my best to supply copies of the report as far in advance of the date on which the question is taken up in this House as I possibly can.

Mr. K. O. Neogy: Is leakage in regard to the report of the Indian Tariff Board covered by the provisions of the Indian Official Secrets Act?

The Honourable Sir Joseph Bhore: I should think so, Sir.

Mr. Gaya Prasad Singh: May I know what is the cause of the delay in the publication of the report?

The Honourable Sir Joseph Bhoré: I have explained that fully in the speech which I made in Simla during the last Session.

U Ba Maung: May I know if the textile industry includes silk or artificial silk?

The Honourable Sir Joseph Bhoré: This is an inquiry into Indian cotton textiles, but we have received the report of the Tariff Board in respect of silk, and that also will be dealt with during the coming Session of the Assembly.

Mr. B. S. Sarma: Is it a fact that there was a representation from the Bombay Millowners' Association to the Government of India to defer publication of this Tariff Board report?

The Honourable Sir Joseph Bhoré: Not that I know of, Sir.

REPORT OF THE CAPITATION TRIBUNAL.

1252. ***Mr. S. C. Mitra:** Will Government be pleased to state when the report of the Capitation Tribunal is going to be published?

Mr. G. R. F. Tottenham: Arrangements are being made for the early publication of the Report as a White Paper. I cannot say what the exact date will be.

Mr. K. C. Neogy: Is this White Paper going to be of the same kind as the other White Paper with which we are acquainted, in point of quality?

Mr. G. R. F. Tottenham: It is going to be the same colour, Sir. (Laughter.)

Mr. S. C. Mitra: Do the Government of India appreciate that the judgment of an impartial tribunal should be known to the people of India so that they can make any constitutional representation that they may think proper to make?

Mr. G. R. F. Tottenham: Yes, Sir: As I say, the report is going to be published very shortly for that purpose.

Dr. Ziauddin Ahmad: In view of the fact that the decision will substantially affect our next year's budget, is it not fair to the Legislature that we should know the proposals so that we may take timely action?

Mr. G. R. F. Tottenham: As I say, every effort is being made to publish the report as soon as possible.

Mr. S. C. Mitra: When was this report submitted by the Tribunal?

Mr. G. R. F. Tottenham: There is another question on the paper which I will answer very shortly which will give that information.

Mr. S. C. Mitra: Was it in November, 1932?

Mr. G. R. F. Tottenham: No, Sir; the actual date was 17th January, 1933.

Mr. S. C. Mitra: Even after that, several months have elapsed, and do Government not think it necessary to acquaint us with the findings of the Tribunal which is an impartial body, so that Indians may take constitutional steps to present their demands?

Mr. G. R. F. Tottenham: I can assure the Honourable Member that such delay as has taken place has not been in any way due to the Government of India, and I do not think that a delay of nine months or so is excessive considering the importance of the issues raised by the Tribunal.

Mr. K. C. Neogy: Will the decision of the British Government on this report be available simultaneously with the publication of the report?

Mr. G. R. F. Tottenham: I expect so, Sir.

Mr. Jagan Nath Aggarwal: May I take it that no action will be taken by the British Government till the report is published?

Mr. G. R. F. Tottenham: I do not understand exactly what action the Honourable Member refers to.

Mr. Jagan Nath Aggarwal: I understood from the constitution of the Tribunal that it was an advisory body and that the Prime Minister will take action on it after receiving the report. Do I understand that the Prime Minister has deferred action till the report is published in India and in England?

Mr. G. R. F. Tottenham: No actual steps will be taken in England until the report is published.

CONSTRUCTION OF QUARTERS FOR MEMBERS OF THE CENTRAL LEGISLATURE IN NEW DELHI.

1253. ***Mr. S. C. Mitra:** (a) Are Government aware that when pressing for a supplementary grant during the last Simla Session of this House, the Honourable Sir Frank Noyce promised that when building new quarters for Members of the Central Legislature at New Delhi he would direct the Central Public Works Department to consult the House Committee of this House in regard to the type of building that would be built for the Members?

(b) Is it a fact that notwithstanding Sir Frank Noyce's promise construction of Members' quarters has been taken in hand without consulting the House Committee of this House?

(c) Do Government propose to consult the said Committee?

The Honourable Sir Frank Noyce: (a) Yes.

(b) No. The undertaking I gave was duly honoured. The plans of the quarters were sent to the House Committee and orders have since

been issued that the quarters should be constructed in accordance with the design recommended by the House Committee, that is the design of the present orthodox gazetted officers' bungalows.

(c) Does not arise.

Mr. Gaya Prasad Singh: Has the House Committee made any recommendation in consultation with the Engineer or any other officer of the Department of Industries and Labour?

The Honourable Sir Frank Noyce: The House Committee, I understand, recommended that the design adopted should be the design of the present orthodox gazetted officers' bungalows, and we have accepted that recommendation.

Mr. S. C. Mitra: Will the Honourable Member tell us when the House Committee was consulted? As a member of the House Committee, I do not remember this thing coming up before the Committee at all.

The Honourable Sir Frank Noyce: I think sometime in September, but I can assure the Honourable Member that my information is based definitely on a recommendation of the House Committee which is in the file in my office.

Mr. S. C. Mitra: Will the Honourable Member take it that it is absolutely incorrect. The House Committee did not recommend any specific type and they had no occasion to go into details. All that they said was that they wanted the Executive Engineer to come and suggest a definite plan. They did not know what the plan was and the information given was incorrect.

Mr. Abdul Matin Chaudhury: I do not think Mr. Mitra is quite correct in saying that the House Committee made absolutely no recommendation with regard to this. They said that at least the quarters to be constructed should not be of the type of 8-16 Ferozshah Road, and they recommended that these new quarters should be on the lines of the old orthodox quarters, and they also asked the Executive Engineer to submit a plan before the Committee.

Mr. S. C. Mitra: The Chairman of the House Committee will recollect that we said that the Executive Engineer of the P. W. D. should come and show us the plan. It is not correct to say that the Committee decided that it should be in a particular way. We only suggested that it should not be of this type and might be of some other type, but we decided that we should first have an opportunity to see the plans.

Mr. Abdul Matin Chaudhury: Of course it is within my recollection that we asked the Executive Engineer to come.

Mr. President (The Honourable Sir Shanmukham Chetty): This matter can easily be verified, because there are records of the proceedings of the House Committee and no useful purpose will be served by continuing the discussion.

Mr. Gaya Prasad Singh: May I ask another supplementary question? What is the objection if the Honourable Member in charge of the Department of Industries and Labour asks the Engineer of his Department to come and sit with the House Committee at an early date in a meeting and then to go through the different types of plans for houses suitable to be built for Members of this House?

The Honourable Sir Frank Noyce: The point really is that the House Committee made a very definite recommendation that the quarters should be constructed in accordance with the design of the present gazetted officers' bungalow: that recommendation was absolutely definite and it has been honoured. We have agreed to accept the recommendation of the House Committee, although I may say that this is a distinctly expensive type of bungalow. We have, therefore, done our best to meet the wishes of the House Committee. We have accepted their very definite recommendation. I submit that the Government can do no more than that. If any small alterations in that type of bungalow are required, I shall be very happy to instruct one of my Engineers to meet the House Committee on the subject; but I do not think that we can now go back on the important decision which has been arrived at on the definite recommendation of the House Committee, except in regard to very small matters.

Mr. B. V. Jadhav: May I bring to the notice of the Honourable Member that the quarters to be built on plot No. 11, Ferozshah Road, will be quite different from the type which is on the opposite side and, therefore, architecturally it will be an eye-sore?

The Honourable Sir Frank Noyce: I may say that we have instructed our architects to preserve the architectural amenities as far as possible. It does seem to me a little hard on us when we have tried to meet the wishes of this House that we should be accused of doing so to the neglect of architectural amenities. We fully recognised the force of that point; but, at the same time, we recognised that possibly the wishes of this House were of more importance than the preservation of architectural amenities; we are doing our best, however, to meet both.

Mr. President (The Honourable Sir Shanmukham Chetty): The Chair would suggest to the Department of the Honourable Sir Frank Noyce that, when the House Committee makes a certain recommendation, a reply may be sent to the Chairman of the House Committee, as to whether his Department, has accepted the recommendation or not, because it is understood in this particular case, no reply was sent from the Department of Industries and Labour as to what action they proposed to take on the recommendation of the House Committee.

The Honourable Sir Frank Noyce: If that is so, I can only express my apologies: it should certainly have been done. I will find out why it has not been done, and I will instruct my Department invariably to follow that procedure in future.

Mr. E. H. M. Bower: In as much as several Members in the new Assembly will be distinctly unorthodox, will Government consider the desirability of putting up several bungalows which would accommodate Members with families who do not want orthodox bungalows?

The Honourable Sir Frank Noyce: I cannot say offhand exactly what we are doing, but I have no doubt that the requirements of unorthodox Members as well as those of the orthodox Members will be met.

Mr. K. C. Neogy: What is the definition of orthodoxy in this particular case?

The Honourable Sir Frank Noyce: Mainly the desire of the Honourable Members themselves.

Mr. B. S. Sarma: Also the definition of Members with families?

Mr. Gaya Prasad Singh: May I ask the Honourable Member seriously to consider the desirability of asking one of his Engineers to meet the Members of the House Committee?

Mr. President (The Honourable Sir Shanmukham Chetty): That is a request that might be made by the House Committee.

Mr. Gaya Prasad Singh: That has been done.

Mr. President (The Honourable Sir Shanmukham Chetty): It is for the House Committee to take up the matter and remind the Department as to why it has not been carried out: that will expedite matters instead of having a discussion on the floor of the House.

Mr. B. Sitaramaraju: What are the grounds for thinking that the future Legislative Assembly will be unorthodox in view of the fact that the tendency is just the other way round—retarding social legislation, even such as comes up now?

Sir Cowasji Jehangir: May I ask whether it is a fact that the House Committee asked the Executive Engineer to be present at one of their meetings in order to discuss this matter?

The Honourable Sir Frank Noyce: I can only say that I am quite sure that if the House Committee asked the Executive Engineer to be present, he would have been present. My Department knows quite well that I have issued verbal and other instructions that if the House Committee requires any information or any assistance in any way, it should be most freely given.

EXTENSION OF THE PERIOD OF NOTICE OF INDO-JAPANESE TRADE CONVENTION AND PROTECTION TO CERTAIN MINOR INDUSTRIES.

1254. ***Mr. S. C. Mitra:** (a) Are Government aware that there has been strong criticism in the Press of Government's extending the period of notice of Indo-Japanese trade convention till November 10, 1933, without at the same time pressing the Government of Japan to lift the boycott of Indian cotton during the period of such extension?

(b) Will Government kindly state whether the report of Dr. Meek, Director-General of Commercial Intelligence and Statistics and Dr. John Mathi, President of the Tariff Board, on the applications for relief under

the Safeguarding of Industries Act submitted on behalf of 40 minor industries, will be published?

(c) Are Government aware that the struggling nascent industries, most of which come under the category of minor industries, are in much greater and more urgent need of relief against Japanese dumping than the textile industry? If so, what steps do Government contemplate to take in regard to the protection of those industries?

The Honourable Sir Joseph Bhow: (a) There have been comments of this nature in certain newspapers due no doubt to misapprehension of Government's position in this matter.

(b) No, Sir.

(c) This is a matter of opinion and the Honourable Member is entitled to hold his own views. I may add, however, that the question of safeguarding the minor industries has never been lost sight of by Government.

Mr. H. P. Mody Sir, in view of the fact that these minor industries have been crying out for relief for a long time and that relief has been denied to them for various reasons, will not the Honourable Member consider the desirability of introducing and, if possible, proceeding with legislation in this Session?

The Honourable Sir Joseph Bhow: I appreciate my Honourable friend's altruistic position in this matter: I can assure him that the matter will receive and is receiving our very close attention.

ILLNESS OF SUBODH CHANDRA MITRA, A DETENU IN THE DEOLI DETENTION CAMP.

1255. ***Mr. S. C. Mitra:** (a) Is it a fact that detenu Subodh Chandra Mitra, now detained in the Deoli Detention Camp, has been suffering from slow fever, temperature ranging from 99° to 100°? If so, for how long?

(b) Is his temperature still persisting?

(c) Is it a fact that he is also suffering from colic pain, attended with vomiting?

(d) Is it a fact that he had no such colic pain before his detention?

(e) Will Government please state what was his weight when he was first transferred to the Deoli Detention Camp?

(f) Is it a fact that he has lost 15 lbs. in weight?

(g) What is his present weight?

The Honourable Sir Harry Haig: (a) and (b). He has frequently had a slight evening rise in temperature since the middle of July which still continues.

(c) Not now.

(d) I have no information.

(e), (f) and (g). His weight on arrival was 99 lbs. and is now 85 lbs.

Pandit Satyendra Nath Sen: Has it been noticed by Government that persons who keep excellent health before detention become habitual patients after detention?

The Honourable Sir Harry Haig: I have not any full information about the health of these persons, nor I think have Government, before they come under detention.

Pandit Satyendra Nath Sen: Is not the Honourable Member aware of the cases of the late Pandit Motilal Nehru, the late Mr. C. R. Das, the late Mr. J. M. Sen-Gupta, Mr. S. C. Bose, Dr. Alam and others?

The Honourable Sir Harry Haig: What is the suggestion that the Honourable Member is making?

Pandit Satyendra Nath Sen: I have no suggestion to make: I shall be obliged if I can have a satisfactory explanation from the Honourable Member.

The Honourable Sir Harry Haig: I am afraid I cannot make any general statement on such a subject: we cannot generalise on particular instances.

Mr. H. P. Mody: Have Government received any report with regard to the general state of the health of these detenus?

The Honourable Sir Harry Haig: The general state of health is by no means unsatisfactory.

ILLNESS OF SUBODH CHANDRA MITRA, A DETENU IN THE DEOLI DETENTION CAMP.

1256. ***Mr. S. C. Mitra:** (a) Is it a fact that Subodh Chandra Mitra, a detenu in the Deoli Detention Camp, was brought to the Ajmer Hospital for X Ray examination and treatment?

(b) What was the result of that examination?

(c) Was he subjected to Barium Meal Test also? What was the result of that test?

(d) Is he still undergoing treatment in the hospital?

(e) How long has he been in the hospital, and what treatment did he undergo during the last three months?

(f) Who treats him, and what are his qualifications?

(g) Will Government please state if he is in a very weak state of health now?

(h) Is it a fact that he has been kept on liquid diet? If so, for how long?

The Honourable Sir Harry Haig: (a) to (d) and (g). I would refer the Honourable Member to the reply I gave on the 29th November, 1933, to question No. 1207 and various supplementary questions.

(e) and (f). He has been in hospital since the 27th October last. He is under the treatment of the Medical Officer of the Jail.

RECOGNITION OF DENOMINATIONAL UNIONS.

1257. *Sardar Sant Singh: Has the attention of Government been drawn to the publication, under the heading "Muslim P. & T. Union", in the *Hindustan Times*, dated October 26, 1933 and under the heading 'Going Back' of the same paper of the same date? If so, is it a fact that the recognition to a denominational Union is to be extended? If so, are Government prepared to extend recognition to the Sikh Union of the same Department?

The Honourable Sir Frank Noyce: The reply to the first part of the question is in the affirmative. As for the rest it is not proposed to extend official recognition to any communal Union. If it should be extended to the body until recently known as the Muslim Posts and Telegraphs Union, it will only be on the condition *inter alia* that the constitution and regulations of that body, are no longer communal and that it will deal with matters of general, and not merely communal, concern to the class of departmental staff represented by it. Should the Sikh Union reconstitute itself and its objects in this way, any application it may make for official recognition will be considered on its merits.

RECOMMENDATIONS OF THE WAR PENSIONS COMMITTEE.

1258. *Sardar Sant Singh: (a) Will Government be pleased to lay on the table of this House the recommendations of the War Pensions Committee and the orders of the Government thereon? Which of the recommendations were not accepted, and for what reason?

(b) Have any orders been passed by Government on recommendations Nos. 3, 15 and 20? If so, will Government be pleased to lay the same on the table of this House?

Mr. G. B. F. Tottenham: (a) and (b). A copy of the report of the War Pensions Committee has already been supplied to all Honourable Members and the orders of Government thereon have been issued in a Press Communiqué. Copies of both these papers will also be placed in the Library. Recommendations XV and XX are still under consideration

APPLICATION OF GOVERNMENT SERVANTS' CONDUCT RULES TO ALL GOVERNMENT SERVANTS.

1259. *Mr. B. Das: (a) Will Government be pleased to state if it is a fact that there is only one set of Government Servants' Conduct Rules and that they are applicable to all Government servants, whether employed under the Central or the Local Governments?

(b) Is it a fact that in respect of the Government servants employed under the Central Government, the rules or orders governing the dismissal, removal or re-instatement after their acquittal from a court of law, of criminal charges against them, are substantially the same as in the provinces?

The Honourable Sir Harry Haig: (a) Local Governments have power to make rules to regulate the conduct of members of provincial, specialist, and subordinate services under their administrative control. So far as that power has not been exercised the rules known as the Government Servants' Conduct Rules still apply to Government servants under the administrative control of Provincial Governments.

(b) I am not aware of any rules which regulate the circumstances in which a Government servant may be dismissed, removed or reinstated whether after acquittal by a Court of law of charges framed against him or otherwise. The rules concerning dismissal and removal merely prescribe these as permissible forms of punishment and the procedure to be followed before an order of dismissal or removal is passed.

REPORT OF THE CAPITATION TRIBUNAL.

1280. ***Mr. S. G. Jog:** (a) Will Government please state when the report of the Capitation Tribunal's findings will be published?

(b) Will Government please state when the report was signed by the members of the Tribunal?

(c) Will Government please state the reasons for holding up the report?

(d) Are Government aware that one of the members of the Tribunal, Sir Shadi Lal, stated in the presence of some Indian politicians in London that the report consisted of surprises?

(e) Is it a fact that as a result of the findings a heavy liability is placed on the British Exchequer?

(f) If under the findings, Government are to recover any amount from the British Exchequer, do Government propose to insist upon that payment without delay with a view to adjust the budget for the next year?

Mr. G. R. F. Tottenham: (a) The attention of the Honourable Member is invited to the reply that I have just given to Mr. S. C. Mitra's starred question No. 1252.

(b) 17th January, 1933.

(c) The reason for the delay is that the Report raised questions of great importance which needed careful consideration.

(d) Government have no information.

(e) and (f). I regret that I can give no information on these points in advance of the publication of the Report, but I hope that this will take place before long.

Mr. S. G. Jog: May I know if the Honourable Member has no information at all or he does not want to give it out?

Mr. G. R. F. Tottenham: About which point?

Mr. S. G. Jog: May I know if the Honourable Member has no information at all or he does not wish to give out that information?

Mr. G. R. F. Tottenham: About which point?

Mr. S. G. Jog: On the Report of the Capitation Tribunal.

Mr. G. R. F. Tottenham: I said that we had no information on the point raised in part (d) of the question.

Mr. S. C. Mitra: What about part (e)?

Mr. B. Das: Has the attention of the Honourable Member been drawn to the publications in the Indian Press that India will be relieved to the extent of about £4 millions if the recommendations of the Capitation Tribunal are given effect to?

Mr. G. E. F. Tottenham: I have not actually seen that statement in the Press.

Mr. B. Das: Let me assure the Honourable Member that I have read it in two or three papers, and the *Hindustan Times* of Delhi also recently published it.

Mr. S. C. Mitra: I think it appeared in the *Statesman* also.

Mr. G. E. F. Tottenham: I would advise the Honourable Member not to place too much reliance on what appears in the newspapers.

JOINING OF THE FEDERATION BY INDIAN PRINCES.

1261. **Mr. S. G. Jog:** (a) Is it a fact that Government through the Political Department or the Reforms Office is in communication with the Ruling Princes individually in the matter of their willingness or otherwise for joining the Federation?

(b) Is it not a fact that more than 75 per cent. of the Ruling Princes have expressed their willingness to join the Federation?

(c) Is it not a fact that the population test has also been satisfied?

The Honourable Sir Brojendra Mitter: (a) As the Honourable Member is aware the adherence of the States to the Federation will be a matter for individual negotiation after the Constitution Act has been passed, and there has therefore been no occasion for obtaining the views of the Ruling Princes formally with regard to their adherence to the Federation. The Government of India have however consulted them recently on certain tentative proposals regarding a scheme for the allocation of seats to the States *inter se* in the Federal Legislatures.

(b) and (c). The questions do not arise.

Mr. S. G. Jog: Is it not a fact, Sir, that to avoid delay in bringing the Federation into existence, Government are privately negotiating with the Princes in advance?

The Honourable Sir Brojendra Mitter: No, Sir; as I have said, the negotiations will start after the Constitution Act is passed.

Mr. B. Das: Have Government taken any steps to contradict the misstatement Mr. Churchill made in London about Government applying pressure on the Princes?

The Honourable Sir Brojendra Mitter: Government never applied pressure on anybody.

Mr. B. Das: I don't myself say that, but I wanted merely to know if Government have contradicted the misstatement of Mr. Churchill in London?

The Honourable Sir Brojendra Mitter: Government do not feel called upon to contradict any incorrect statement which appears in newspapers or anywhere else.

Mr. C. S. Ranga Iyer: Are Government aware that this particular statement to which the Honourable Member referred was made by Mr. Churchill before the Joint Committee and that it was immediately answered and repudiated by the Secretary of State?

The Honourable Sir Brojendra Mitter: That is so.

DELAY IN THE INAUGURATION OF NEW REFORMS.

1262. ***Mr. S. G. Jog:** (a) Are Government aware that there is a feeling of uneasiness in the country and amongst the politicians over the delay in the coming reforms?

(b) Do Government propose to take steps to hurry up the reforms, and convey the feeling of uneasiness in this country to the Secretary of State for India?

The Honourable Sir Brojendra Mitter: I can assure the Honourable Member that His Majesty's Government and the Government of India are making every endeavour to expedite the introduction of the reforms.

Mr. S. G. Jog: In view of the great efforts which the Government are making for expediting matters, will Government please state as to when the Federation is likely to begin functioning?

The Honourable Sir Brojendra Mitter: I am not in a position to answer.

Dr. Ziauddin Ahmad: Is it likely to begin before 1940?

Maulvi Muhammad Shafee Daoodi: What is the time table which Government have in their mind?

The Honourable Sir Brojendra Mitter: Government have no time table.

Mr. K. C. Neogy: Would it not be more correct to say that the Government of India have no mind in the matter?

Sir Cowasji Jehangir: Will the Honourable Member take steps to see that the reforms come into force at the Centre at least at such a time as the youngest Members on this side have a chance of becoming Members of the Ministry?

LEAVE AND PENSION OF MILITARY EMPLOYEES INVALIDED DURING THE GREAT WAR.

1263. ***Mr. S. G. Jog:** (a) Are Government aware that the Controller of Military Pensions, Lahore, has refused to act according to the statement and replies of the Army Secretary given in this House on the 4th September, 1933, to the questions of Rai Bahadur Kunwar Raghbir Singh Sahib, Nos. 591—96?

(b) Do Government propose to forward copies of those questions and answers (specially Nos. 592 to 596 together with questions and answers

now being given) on the subject of leave and pension of military employees invalided during the Great War, to the Controller of Military Pensions, Lahore, for immediate and necessary action?

Mr. G. R. F. Tottenham: I am making enquiries and will lay a reply on the table in due course.

SEPARATION OF SUDDER BAZAR AREA FROM THE CANTONMENT, MEERUT.

1264. ***Khan Bahadur Haji Wajihuddin:** (a) Has the attention of Government been drawn to the Press message published in the *National Call* dated the 14th November 1933, on page 2, under the headings "New Scheme for Meerut", "Sudder Bazar Area to be separated from Cantonment," "Government of India considering" (a cutting from the paper has been sent to the Department concerned for ready reference) and if so, will Government be pleased to lay the correspondence in this connection on the table?

(b) Will Government be pleased to state the reasons which have prompted them to adopt this policy and the details of the proposed scheme with net result in case it is actually put into action?

Mr. G. R. F. Tottenham: (a) Government have seen the article. There is no proposal under consideration for the separation of the Sudder Bazar in Meerut.

(b) Does not arise.

Dr. Ziauddin Ahmad: Sir, I have just got a letter from Mr. Maswood Ahmad asking me to ask his questions. The letter was lying on the table addressed to Secretary. I don't know if I have a right to ask these questions.

(Mr. Maswood Ahmad's letter was handed to the Honourable the President.)

Mr. President (The Honourable Sir Shanmukham Chetty) (After perusing the letter): Yes.

MURDER OF SYED MUHAMMAD KIRMANI IN PALESTINE.

1265. ***Dr. Ziauddin Ahmad** (on behalf of Mr. M. Maswood Ahmad): (a) Are Government aware of the murder of an Indian Mussalman, Syed Muhammad Kirmani, in Palestine?

(b) Will Government please give in detail an authentic account of the circumstances which led to his murder?

(c) What was the name of the companion of the deceased who escaped his fate?

(d) Who was his murderer, and has he been arrested and punished?

(e) Was any enquiry made in this connection? If so, with what result?

The Honourable Sir Harry Haig: (a) Yes.

(b) to (e). Information received from the High Commissioner for Palestine shows that investigation into the crime is proceeding but no clue has yet been obtained as to the identity of the murderer or the motive for the murder.

Dr. Ziauddin Ahmad: What is the answer to part (c) of the question?

The Honourable Sir Harry Haig: I am not sure that I have got the name. I think it was an American lady, I am not quite sure what her name was†.

MUSLIM SUPERINTENDENTS IN THE GOVERNMENT OF INDIA DEPARTMENTS.

1266. ***Dr. Ziauddin Ahmad** (on behalf of Mr. M. Maswood Ahmad): (a) Is it a fact that there are 59 Superintendents in all the Departments of the Government of India?

(b) Is it also a fact that there are only four permanent Muslim Superintendents out of these 59?

(c) Is it not a fact that two Muslim Superintendents were recently made to retire compulsorily?

(d) Is it not a fact that in their places persons of a non-Indian community were recruited?

(e) Is it not a fact that the percentage of Muslim Superintendents after this compulsory retirement has been reduced to 1·2?

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

(c) and (d). I would refer the Honourable Member to the answer given by the Honourable the Finance Member to parts (b) and (f) of Mr. Muhammad Azhar Ali's question No. 1192 on the 28th November, 1933.

(e) No; the percentage works out to 3·4 approximately.

Dr. Ziauddin Ahmad: Whenever an answer is required relating to a certain thing, we are referred to a reply given in answer to a previous question about which we do not know anything.

The Honourable Sir Harry Haig: The question was down for answer on the 28th November, and when I was drafting my reply, I was shown the reply to that question, and I naturally referred to it in my answer. I am not sure whether the question was in fact not answered.

Dr. Ziauddin Ahmad: But as the answer was not given, and printed answers are not available to Members, we have not become wiser.

The Honourable Sir Harry Haig: Has it not been published in the proceedings of the House?

Dr. Ziauddin Ahmad: Yes, but they are published after a week or ten days.

QUOTATIONS FROM THE INDIAN SHIPPING COMPANIES FOR THE CARRIAGE OF GOVERNMENT MATERIALS.

1267. ***Mr. K. C. Neogy:** (a) With reference to the following resolution moved in the Council of State by Sir Lalubhai Samaldas, and accepted by Government in 1922:

"This Council recommends to the Governor General in Council to issue instructions in the departments concerned to give Indian Shipping Companies an opportunity of quoting for the carriage of Government and Railway materials from any ports to India and to give them preference if their quotation is approximate to that of other Companies."

† Please also see page 2463 of these debates.

will Government be pleased to state if quotations were invited from Indian Steamship Companies for the carriage of Government stores and materials in accordance with the terms of the resolution and if so, how many times orders for such carriage were placed with the Indian Steamship Companies and how many times preference for the carriage of such material was given to them?

(b) In view of the recent statement made by the Secretary of State for India before the Joint Select Committee on the subject of shipping and commercial discrimination, will Government be pleased to state whether in future they propose to invite quotations from the Indian Shipping Companies for the carriage of Government materials and to give them preference if their rates of freight for that carriage are approximately the same as those given by the British Shipping Companies, in terms of the above-quoted resolution?

The Honourable Sir Frank Noyce: (a) Inquiries are being made and the result will be communicated to the House as soon as possible.

(b) I presume that by the words "in future" the Honourable Member means "under the new Constitution". If so, he will no doubt realise that it is not possible for me to give him the desired information at this stage when the new Constitution is still under consideration. But if the Honourable Member refers to the immediate future, then I can assure him that Government will act in accordance with the Resolution referred to, on the understanding that the general principle of the acceptance of the lowest satisfactory tender will continue to be observed.

Mr. B. Das: If the Indian Shipping Companies demand special concessions from the Government, is it not obligatory on the Government to insist on these Indian Shipping Companies not to raise the passenger fares as has been raised by the Scindia Steam Navigation Company very recently?

The Honourable Sir Joseph Bhoré: I do not think that it is possible to attach conditions like that in the giving of such contracts.

Mr. B. Das: It is exploitation on one side only.

The Honourable Sir Joseph Bhoré: I have stated already that Government have no power in respect of the regulation of steamship passenger fares.

GRANT OF CONCESSIONS TO PERSONS ACCUSED IN THE HORTICULTURE DIVISION CASE OF THE CENTRAL PUBLIC WORKS DEPARTMENT AFTER THEIR ACQUITTAL.

1268. ***Mr. T. N. Ramakrishna Reddi:** (a) Is it a fact that one Mr. Gopal Das, who was an accused in the Horticulture Division case, of the Central Public Works Department has been granted full pay for the period of suspension and also the retrenchment concessions after his acquittal from the Court?

(b) Is it also a fact that the above clerk was accused of the same charges as framed against his other colleagues in the Court? If so, has a similar treatment in the matter of pay and pension been meted out to all others involved in the case? If not, why not?

(c) Under what sections of the Indian Penal Code or the Criminal Procedure Code was the accused tried? Is it a fact that they were all charged for a conspiracy to misappropriate Government money? If so, why have not all of them been equally treated when the charges were the same?

The Honourable Sir Frank Noyce: (a) Yes. Mr. Gopaldas was discharged and not acquitted by the Court.

(b) The reply to the first part is in the affirmative, and to the second part in the negative. As regards the third part, the case of each individual was taken up separately at the conclusion of the departmental proceedings, and the orders passed were based on the nature and extent of the departmental misconduct in each case.

(c) The accused were tried under sections 409 and 420 read with section 120 (B) of the Indian Penal Code. As regards the second part, the reply is in the affirmative. The reply to the last part is given in the concluding portion of the reply to part (b) above. The orders passed were based on the departmental and not on the judicial proceedings.

Mr. B. R. Puri: With regard to (b), the answer of the Honourable Member is that the reply to first part of (b) is in the affirmative and, with regard to the latter part, it is in the negative. But then there is another line also, "If not, why not?", and that remains unanswered.

The Honourable Sir Frank Noyce: I do not think the Honourable Member could have heard exactly what I said. I said the orders passed were based on the nature and extent of the departmental misconduct in each case.

EMPLOYMENT OF GOVERNMENT LABOUR ON UNAUTHORISED WORKS IN THE HORTICULTURE DIVISION OF THE CENTRAL PUBLIC WORKS DEPARTMENT.

1269. ***Mr. S. G. Jog:** Is it a fact that some serious disclosures supported by documentary proof have been made by one of the memorialists, in the Horticulture Division fraud case, of the Central Public Works Department in regard to the employment of Government labour on unauthorised works under the orders of the superior officers? If so, what action has been taken against the officers involved?

The Honourable Sir Frank Noyce: Allegations regarding the employment of Government labourers on private work were made by one of the memorialists, and were supported by some indifferent photographs of documents said to be in the possession of the memorialist. Government decline to take action on such materials.

Mr. S. G. Jog: Is it not quite customary for Government servants to employ such labour?

The Honourable Sir Frank Noyce: No.

TRAINING OF ARMY ENGINEERS IN INDIA.

1270. ***Mr. Gaya Prasad Singh:** (a) Is it a fact that the authorities of the Military Academy, Dehra Dun, are training cadets for various branches of the Army, and that there was recently a proposal to explore the

possibility of training Army engineers at the Roorkee College (United Provinces) on the same lines as the Royal Engineers in England are trained at Woolwich and Chatham Colleges? Is it a fact that with this object, a party of Army officers paid a visit to the Roorkee College some time back, but found that it would not suit their requirements unless vastly improved?

(b) Do Government propose to explore the possibility of raising the status of the College, and make it a central institution, so as to bring it up to a standard that would meet the Army requirements?

(c) What arrangements are in contemplation by the authorities to train Army engineers in India, and what will be the financial implications of such arrangements?

Mr. G. B. F. Tottenham: (a) and (c). The Indian Military Academy is intended to train officers for all branches of the Army, including the Engineers. There is a proposal under consideration that Engineer officers, who pass out of the Academy, should complete a post graduate course at the Thomason College, Roorkee, followed by a period of training with the King George's Own Bengal Sappers and Miners at that station. The financial implications of the proposal are being examined.

The answer to the last question in part (a) is in the negative and part (b) does not therefore arise.

Mr. Gaya Prasad Singh: May I take it that it is under contemplation to utilise the Roorkee College for the purpose of giving training to these army cadets for an engineering course?

Mr. G. B. F. Tottenham: That is the intention.

Dr. Ziauddin Ahmad: May I ask how many engineers are likely to be trained every year under this arrangement?

Mr. G. B. F. Tottenham: I should like to have notice of that question.

Mr. Jagan Nath Aggarwal: In view of the fact that the United Provinces Government require various Governments to subsidise them if they send their boys there, is it not desirable to make it a central institution?

Mr. G. B. F. Tottenham: I have said that the matter is under consideration, but that particular proposal has not yet come before the Government. It will no doubt be considered along with other financial implications of the scheme.

Mr. Jagan Nath Aggarwal: My point is, will Government consider the desirability of making it an all-India institution?

Mr. G. B. F. Tottenham: Government will no doubt consider that suggestion.

†1271.*

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

1272. ***Mr. E. H. M. Bower:** (a) Will Government be pleased to state whether the consolidated allowance drawn by Travelling Ticket Examiners

†This question was withdrawn by the questioner.

on the East Indian Railway is the same as the "Permanent Travelling Allowance" mentioned in Supplementary Rule 21?

(b) If the answer to part (a) be in the affirmative, is permanent travelling allowance ever treated as part of pay?

(c) If the answer to part (b) be in the negative, why has it been subjected to a 12½ per cent. cut?

(d) If the answer to part (a) be in the negative, under what class of allowance does this consolidated allowance fall?

(e) Is the consolidated allowance referred to in part (a) a compensatory allowance?

(f) If the reply to part (e) be in the affirmative, why is payment not made during leave on average pay under Supplementary Rule 6?

(g) If it is not a compensatory allowance, why has it been included in the list of compensatory allowances in Railway Board, letter No. 7196-F., dated the 24th July 1931, ordering 12½ per cent. cut on it?

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

(b) No.

(c) The cut was imposed generally on all compensatory allowances, but on reconsideration it has since been decided not to subject consolidated travelling allowances for ticket examining staff to the cut so long as the ordinary daily allowance is not subject to it.

(d) Does not arise.

(e) Yes.

(f) The rule quoted by the Honourable Member does not apply to permanent travelling allowances. They are dealt with in Supplementary Rule 23 which distinctly provides that they are inadmissible during leave.

(g) Does not arise.

CUT IN THE CONSOLIDATED ALLOWANCE OF THE SPECIAL TICKET EXAMINERS ON THE NORTH WESTERN RAILWAY.

1273. ***Mr. E. H. M. Bower:** Will Government be pleased to state whether the 12½ per cent. cut has not been imposed on the consolidated allowance of the Special Ticket Examiners on the North Western Railway sanctioned from December, 1932? Is it not a fact that both the North Western and East Indian Railways are State-managed?

Mr. P. B. Rau: The reply to both parts of the question is in the affirmative.

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

1274. ***Mr. E. H. M. Bower:** Do Government propose to consider the desirability of cancelling the 12½ per cent. cut on the consolidated allowance of the Travelling Ticket Examiners on the East Indian Railway from the time the 10 per cent. cut on pay was introduced?

Mr. P. B. Rau: I would refer my Honourable friend to the reply I gave just now to part (c) of his question No. 1272.

Dr. Ziauddin Ahmad: May I ask whether this consolidated allowance is a part of the salary, or it is not a part of the salary?

Mr. P. B. Rau: It is not.

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

1275. ***Mr. E. H. M. Bower:** (a) With reference to the supplementary question by Mr. M. Maswood Ahmad to starred question No. 821 of 12th September, 1933 and to the Gazette of India, dated the 31st January, 1931, will Government be pleased to state whether all Railway employees fall under one of the two categories, i.e., they are either running staff or stationary staff?

(b) Have the Travelling Ticket Examiners ever been defined as stationary staff? If so, under what notification of the Government of India?

(c) What is the technical difference between the words "running" and "travelling" to warrant the Travelling Ticket Examiners not being considered as running staff?

(d) Is it a fact that consolidated allowance is paid to the Travelling Ticket Examiners? Is it a fact that under Supplementary Rule 22 such allowance is admissible to the staff whose duties require them to "travel extensively"?

(e) Is it a fact that Guards are defined as running staff and are occasionally utilised on station duty and paid average mileage for the day, and the Travelling Ticket Examiners when they are utilised on station duty are paid consolidated allowance?

Mr. P. B. Rau: (a) I have already explained that the classification referred to in the Gazette of India, dated the 31st January, 1931, is for the purpose of the hours of employment rules.

(b) I am not aware of any such classification made of any staff except for the hours of employment rules.

(c) Running staff are those who are directly connected with the charge of a moving train. Travelling Ticket Examiners do not satisfy this definition.

(d) Yes.

(e) This is correct so far as guards are concerned, as station duty is part of guard's duties.

As regards Travelling Ticket Examiners the matter is being examined.

PARTICIPATION OF INDIAN SHIPPING IN THE COASTAL AND OVERSEAS TRADE OF INDIA.

12 ***Mr. K. C. Neogy:** (a) With reference to my question No. 783 asked in this House on the 11th September 1933, inquiring whether any new arrangement that might have been reached between the British shipping companies and the Indian shipping companies with the help of the Government of India, effectively provided for an adequate participation of Indian shipping both in the coastal and overseas trade of India, and the reply given by the Hon'ble the Commerce Member that the arrangement referred to above provided substantial further opportunities for the development of Indian shipping, will Government be pleased to state if their

attention has been drawn to the following statement made by the Chairman of the Scindia Steam Navigation Company, Limited at its annual meeting held on the 14th October 1933?

"I must candidly confess that while it (the working arrangement between the B. I. and the Scindia Companies) has laid deeper the foundations of the vested interests of British shipping on the coast and given an opportunity to new British tonnage to ply thereon, it has not provided and is not likely to provide for even an adequate participation of Indian shipping and that too in the coastal trade of India, which even the Government themselves are anxious to see. The position as regards the overseas trade remains as it has been in the past, that is practically a closed field to Indian shipping and I wonder how the Government propose effectively to translate into practice their oft expressed desire for providing an adequate participation of Indian shipping also in the overseas trade of this country".

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state whether they still hold that the recent arrangement between the British and Indian shipping companies provides for the development of an Indian Mercantile Marine both in the coastal and the overseas trade of India?

The Honourable Sir Joseph Bhoré: (a) Government have seen the statement referred to.

(b) I see no reason whether to modify the statement which I made on the 11th September, 1933, in reply to the Honourable Member's question No. 783.

Mr. F. E. James: May I ask a supplementary question? May I ask whether the Chairman of the Scindia Steam Navigation Company is Mr. Walchand Hirachand?

The Honourable Sir Joseph Bhoré: I believe so.

Mr. F. E. James: And if so, is it the same Mr. Walchand Hirachand who was a party to this working arrangement which is now condemned by him?

The Honourable Sir Joseph Bhoré: Most certainly, Sir.

Mr. F. E. James: If that is the case, it is rather strange, but may I ask my Honourable friend whether he is aware of anything that has intervened since that arrangement came into effect to justify his present attitude to it?

The Honourable Sir Joseph Bhoré: I am not aware of any event that has transpired of the nature suggested by my Honourable friend. I may say that the view expressed in the quotation given by my Honourable friend seems to me to be grotesquely inaccurate.

Mr. F. E. James: May I ask also whether this Mr. Walchand Hirachand is the same Mr. Walchand Hirachand who, as a member of the Indian Merchants' Chamber has so categorically condemned the agreement between the Millowners' Association of Bombay and the Lancashire textile interests?

The Honourable Sir Joseph Bhoré: I can give my Honourable friend no definite information on that point, but I believe he is the same individual. (Laughter.)

Diwan Bahadur A. Ramaswami Mudaliar: Does the Honourable Member think that while the agreement between the Scindia Steam Navigation Company and the British India Steam Navigation Company was made in the interests of the Steam Navigation Company, this view was expressed by him to set himself right with his political friends?

The Honourable Sir Joseph Blore: I have no reason to deny the suggestion of my Honourable friend.

Mr. K. C. Neogy: Apart from personalities, may I know from the Honourable Member as to what opportunities he thinks the present arrangement offers for the effective participation of Indian shipping in overseas trade?

The Honourable Sir Joseph Blore: As far as my information goes in regard to this agreement, there is nothing to prevent the Scindia Steam Navigation Company or any Indian Steam Navigation Company from embarking on foreign trade.

Dr. Ziauddin Ahmad: If a company of this kind be started, will it have the same facilities in foreign ports as we are giving on Indian ports to foreign ships?

The Honourable Sir Joseph Blore: Which company is my Honourable friend referring to?

Dr. Ziauddin Ahmad: The same company which is now under contemplation, the Scindia Steam Navigation Company.

The Honourable Sir Joseph Blore: I confess I do not follow my Honourable friend. I am not aware of any discriminatory treatment meted out to Indian steamship companies abroad.

Dr. Ziauddin Ahmad: Will the Australian Government, for instance, or the South African Government give the same facilities as we give them?

The Honourable Sir Joseph Blore: I am not aware that they discriminate against Indian owned shipping as such.

Mr. K. C. Neogy: Will the Honourable Member be pleased to lay on the table of the House such papers as may enable us to understand the nature of the arrangement referred to in this question?

The Honourable Sir Joseph Blore: The agreement is a private agreement between the two Companies and Government have nothing directly to do with that agreement. If my Honourable friend desires information, might I suggest to him that he should get a copy of the agreement from the gentleman whose speech he has quoted? But I would like to say this. In support of the view that has been expressed by me that the new agreement holds out prospects of substantial development of Indian shipping, I would say that that is borne out by the fact that, immediately after the agreement, the Scindia Steam Navigation Company had to increase its fleet, by the fact that, I believe, for the first time, after the agreement Indian owned shipping took a share in the passenger traffic between the Coromandel

Coast and Rangoon, and finally by the fact that for the first time Indian owned shipping is now carrying His Majesty's mails.

Mr. K. C. Neogy: I am not concerned with any particular companies that may be parties to these agreements, but, having regard to the importance from the public point of view which this question has, may I not expect my Honourable friend's assistance for the purpose of understanding the nature of the arrangement and finding out as to how it would enable an Indian company, either existing or to be started in the future, to participate effectively in the overseas trade?

The Honourable Sir Joseph Bhoré: I cannot understand how anybody can prevent a company other than that which has entered into agreement with the B. I. S. N. Co., from starting on overseas trade, if it wants to do so.

Mr. K. C. Neogy: Has not my Honourable friend read the evidence at least of Sir Charles Watson before the Joint Parliamentary Committee as to how powerful foreign combines succeeded in the past in wiping out Indian companies from the field?

The Honourable Sir Joseph Bhoré: I have no doubt that foreign combines are extremely powerful and that their natural tendency is to keep out new comers in the field, but that is not because they happen to be Indians.

Mr. K. C. Neogy: Is it not a fact that the Government of India having regard to these circumstances have committed themselves to the policy of assisting as far as they can the development of Indian shipping?

The Honourable Sir Joseph Bhoré: Yes, Sir, and the view that I have expressed now is that this agreement does hold out the prospect of a substantial development of Indian owned shipping.

Mr. K. C. Neogy: What particular programme, if any, have the Government at the present moment before them for the purpose of giving effect to that policy to which the Government stand committed, apart from any agreement which may have been entered into between one particular company and another?

The Honourable Sir Joseph Bhoré: The programme must depend upon the initiative of the Indian companies.

Mr. K. C. Neogy: Do I take it then that until and unless the Indian companies come forward and make an application to Government, Government are not going to take any steps for the purpose of removing the admitted difficulties that lie in the way of such companies being formed and coming forward for that trade?

The Honourable Sir Joseph Bhoré: I am not aware of the manner in which Government can remove those difficulties except by offering their good offices, as they have done in this particular case, to help to remove such difficulties by negotiation.

Mr. K. C. Neogy: Do I take it then that the Government think that the circumstances that happened in the past and to which reference was made by Sir Charles Watson in England are sufficiently encouraging to Indian shipping companies to come forward with their capital on the off-chance of Government lending their good offices when the rate-war starts?

The Honourable Sir Joseph Bhore: I think that the results of the new agreement are certainly sufficiently encouraging to induce Indian initiative to go further in this matter.

Mr. B. Das: Do I take it that Indian ships can now carry on overseas trade with England and other European countries, in view of the agreement that has been entered into?

The Honourable Sir Joseph Bhore: I see no reason why they cannot do so.

Mr. B. Das: Is it not within the knowledge of the Honourable Member that when the Scindia Steam Navigation Company wanted to trade with England, various obstructions were placed before it?

The Honourable Sir Joseph Bhore: If my Honourable friend will specify what those obstructions are, I shall be able to give him a reply.

Mr. B. Das: Such as, they were not allowed to dock the steamer, they were delayed in transshipping their cargo. May I also remind the Honourable Member that he was assisting in the negotiation in England where Mr. Walchand Hirachand who represented Sindhia was present and questions had already been asked on the floor of the House, that the negotiations between the Scindia Steam Navigation Company and the P. and O. Company became fruitless and the new agreement has come very late?

The Honourable Sir Joseph Bhore: I do not know exactly what the question is that the Honourable Member has asked, but certainly my good offices were invited and they were freely given and the ultimate result has been that the Scindia Steam Navigation Company voluntarily accepted this new agreement.

Sir Cowasji Jehangir: May I ask the Honourable Member whether, in the opinion of the Government, the Scindia Steam Navigation Company has committed any crime in entering into friendly relations with the British India Steam Navigation Company?

The Honourable Sir Joseph Bhore: If they had committed a crime, I should have been a party to it.

Diwan Bahadur A. Ramaswami Mudaliar: Do I take it that in view of the answers that the Honourable Member has been giving and the advantages that the Honourable Member has shown both to the Scindia Steam Navigation Company and indigenous shipping companies so far as the coastal trade is concerned, the first portion of this extract is grossly inaccurate?

The Honourable Sir Joseph Bhore: I agree with my Honourable friend. The language that I used was "grotesquely inaccurate".

DEVELOPMENT OF THE INDIAN MERCANTILE MARINE.

1277. ***Mr. K. C. Neogy:** (a) With reference to questions put by Mr. S. C. Shahani on the 29th January, 1931, and by Mr. B. Das on the 29th March, 1932, in this House, and question No. 141, asked by Lala Jagdish Prasad in the Council of State on the 8th March, 1933, and question No. 781 put by me in this House, on the 11th September, 1933, on the subject of the development of the Indian Mercantile Marine, and the common answer given on all those occasions by the Honourable the Commerce Member that the solution of the question of an adequate participation of Indian shipping both in the coastal and overseas trade of India was to be reached by the policy of negotiations between the British and the Indian shipping companies,

(i) is it a fact that the recent arrangements between the British shipping interests and the Indian shipping interests have practically closed the door of the participation of Indian shipping in the overseas trade of India; and

(ii) are Government aware that so far as the small Indian steamship companies are concerned, the present policy of the British shipping companies of waging a rate war against these small Indian steamship companies may soon wipe them out of existence?

(b) Will Government be pleased to state the steps they propose to take to provide for the participation of Indian shipping in the overseas trade of the country, and will Government be pleased to state, whether they are prepared to explore other means for achieving that object, as promised on their behalf by the Honourable Sir George Rainy on the 28rd September, 1929?

(c) If the answer to part (a) (ii) be in the affirmative, will Government be pleased to state what steps they have taken or what immediate steps they propose to take to see that the small Indian steamship companies are not wiped out of existence and that their declared policy "to facilitate the growth and the expansion of the coastal trade of India in so far as that coastal trade is operated by Indian agencies and through the instrumentality of Indian capital" does not signify fail?

The Honourable Sir Joseph Shore: (a) (i) and (b). I am not in possession of the final details of the arrangements referred to by the Honourable Member, but as far as my information goes it is not a fact that Indian shipping has been debarred from entering the overseas trade.

(a) (ii). Of the small Indian steamship companies, one namely, the Bengal-Burma Steam Navigation Company, has already been provided for in the arrangements referred to. With regard to the others, my information is that negotiations are still proceeding.

(c) Does not arise.

Mr. R. S. Sarma: Are Government aware of the fact that there is already a scheme for starting a steamship company in Southern India for the purpose of transporting paddy to Ceylon in view of the prohibitory railway freight and, if that is started, will Government be pleased to give all the assistance they can?

The Honourable Sir Joseph Bhoré: I am not aware of the fact, but I would advise those, who are responsible for starting new steamship companies, to consider the position carefully, because, at the present moment, the depression in the shipping trade is almost unprecedented.

Mr. K. O. Neogy: Is it a fact that a rate-war is proceeding at the present moment on the west coast of India?

The Honourable Sir Joseph Bhoré: I cannot exactly say whether a rate-war is proceeding, but what I can say is that negotiations are proceeding and that information was supplied to me by the Managing Director of the Scindia Steam Navigation Company himself.

Mr. K. O. Neogy: Is it a fact that the basis of these negotiations is that the existing smaller companies plying on the west coast of India have to strictly limit their tonnage to the present figure at least for the next seven years, that they have to give up their right of trading in certain areas, and that they have to limit their coasting trade between definite points and thus limit their present activities only in return for an assurance from the most powerful company in the field that they will cease to wage rate-war against them.

The Honourable Sir Joseph Bhoré: I have no authentic information, Sir, in regard to the details of the negotiations which are going on, but I have been assured that an attempt is being made by all the companies to come to an amicable settlement in this matter.

Mr. K. O. Neogy: What part are Government taking in regard to these negotiations?

The Honourable Sir Joseph Bhoré: Government are taking no part. It is a matter primarily for the steamship companies concerned, and unless they invoke the informal intervention of Government in this matter, Government do not propose to intervene.

Mr. K. O. Neogy: Do I take it then that the Government are merely disinterested spectators?

The Honourable Sir Joseph Bhoré: They are very interested spectators.

Mr. K. O. Neogy: In what way do they propose to show their interest in the matter?

The Honourable Sir Joseph Bhoré: They are watching very closely the result of these negotiations and, if their informal intervention is sought, that intervention will not be denied.

The Honourable Sir Harry Haig (Home Member): May I, with your permission, Sir, amend an answer which I have just given to a supplementary question on question No. 1265? Dr. Ziauddin Ahmad asked me what was the answer to part (c) of that question, namely "What was the name of the companion of the deceased?" I am afraid, in answering the question, I did not read the whole sentence which is: "What is the name of the companion of the deceased who escaped his fate?" As a matter of fact, the American lady, whom I mentioned, was murdered at the same time and, as far as I am aware, there was no companion who escaped his fate. I just wanted to make that point clear.

THE INDIAN TARIFF (SECOND AMENDMENT) BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to present the Report of the Select Committee on the Bill further to amend the Indian Tariff Act, 1894, the Indian Finance Act, 1931, and the Sea Customs Act, 1878, for certain purposes.

THE RESERVE BANK OF INDIA BILL.

Mr. President (The Honourable Sir Shanmukham Chetty): The House will now resume consideration of the Reserve Bank of India Bill. The question is that clause 2 stand part of the Bill. The first amendment is in the name of Mr. Vidya Sagar Pandya (Amendment No. 10 in the Consolidated List, Part I). If the Chair have understood the Honourable Member's amendment correctly, it would be a consequential amendment if the House agrees to adopt his scheme for a metallic currency and gold coins. Is that correct?

Mr. Vidya Sagar Pandya (Madras: Indian Commerce): Sir, "Bank Notes" have nothing to do with a metallic currency. The definition of "currency note" can now be provided in the Bill.

Mr. President (The Honourable Sir Shanmukham Chetty): But the amendment is consequential on certain other amendments that the Honourable Member has got further down on the Order Paper?

Mr. Vidya Sagar Pandya I do not think so, Sir, but if the Chair thinks so, then I am quite prepared to postpone it.

Mr. President (The Honourable Sir Shanmukham Chetty): Does the Honourable the Finance Member think this amendment can stand over?

The Honourable Sir George Schuster (Finance Member): Sir, I think in many ways this amendment may be more conveniently taken later, because my answer to my Honourable friend's amendment will be more or less on the lines that what my Honourable friend's amendment seeks to provide for here is covered by provisions in other parts of the Bill.

Mr. President (The Honourable Sir Shanmukham Chetty): In the opinion of the Chair, it will be better if it leaves Mr. Vidya Sagar Pandya's amendment for the present, in which case what the Chair will do is this. The Chair will allow the other Honourable Members to move their amendments and it will not put the question on clause 2, which it will defer until a later stage. The next amendment will be that Mr. Sitakanta Mahapatra (No. 1 of the Late List).

Mr. Sitakanta Mahapatra (Orissa Division: Non-Muhammadan): Sir, I beg to move:

"That for sub-clause (c) of clause 2 of the Bill the following be substituted:
'(c) 'provincial co-operative bank' means any society which is registered or deemed to be registered under the Co-operative Societies Act, 1912, or any other law for the time being in force in British India relating to co-operative societies and the primary object of which is the financing of other societies in a province which are or deemed to be so registered;'"

Sir, I may be permitted to tell you at the very outset that, by moving this amendment, I am not going to introduce any very controversial issue or bring about a radical change in the Bill under consideration. My very humble motion merely places before the House a proposition to modify the definition of "provincial co-operative bank" as it was placed before this House by the Honourable the Finance Member in the original Bill itself.

Sir, as a new recruit to this august House, I have heard with rapt attention the speeches that were delivered on its floor during the last four days. Charges that were levelled against the Government in general and the Finance Member in particular were many and varied. These charges came from almost every section of the non-official side of the House. On the other hand, praises and encomiums were lavishly showered on the heads of members of the Joint Select Committee and particularly on those of the nationalist section of the said Committee. But, Sir, as one coming from a country where there is hardly any industry except the agricultural industry—a country which is almost entirely a temporarily settled area and where rural indebtedness is at its highest—I confess, and I have no hesitation in doing so, that the definition of "provincial co-operative bank" that was placed before the House by the Honourable the Finance Member, who has been called the autocrat of autocrats, was indeed very democratic and was done with the best interests of the peasant, the agriculturist, and the producer in view and what the Select Committee has done is quite anti-national. As one living in a village having close touch with villagers—of whom the teeming millions of India are composed—I frankly declare on the floor of the House, and I do so with unbounded gratitude to the Government that the definition of a "provincial co-operative bank" which the Honourable Sir George Schuster, who has been depicted as the unscrupulous agent of the Great Mughal at Whitehall, originally placed before the House really aimed at linking up, as time goes on, the innumerable Central Co-operative Banks in district headquarters that exist in India today or that may come into existence hereafter directly with the Reserve Bank of India and thereby bringing the Reserve Bank into close and direct touch with those for whom it should exist—the teeming millions of India. But the definition of a "provincial co-operative bank", as it has emerged from the Select Committee, has aimed at keeping connection with the one bank in a province which they have named the "Principal Society" and which is financed by capitalists is mainly managed by them, and makes a heavy middleman's profit for which ultimately the already heavily indebted peasant in the village suffers.

As one having direct connection with the co-operative movement in the country, not as a financier or an economist, but as a humble field worker—a movement which alone has honestly attempted to tackle the great problems of rural credit and rural reconstruction, but which is on the verge of breaking down probably everywhere in India,—this I say in spite of the high sounding talk that is being reported from the Punjab or Bombay, due to unprecedented fall in the prices of agricultural produces—I am bound to say that the Select Committee has not been able to judge the question from the point of view of how to save the co-operative movement in the country from collapse and the attitude that they have taken will not earn them the gratitude of the agriculturists at whose distress many a tear has been shed here in this House.

But, Sir, I do not blame the members of the Select Committee for what has been done, because, I am afraid, they did so after hearing the evidence of the great authorities on Co-operative Economics and Finance

[Mr. Sitakanta Mahapatra.]

that were brought from distant places to show them the way—Mr. Ramadas Pantulu, President of the Indian Provincial Co-operative Banks Association and the Madras Provincial Co-operative Banks and Professor Kale, who is also very intimately connected with the Bombay Provincial Co-operative Bank. They are great financiers and custodians of the interests of the principal provincial banks whose interest would have ultimately suffered by the definition that the Government originally proposed. But now the Select Committee have adopted a definition for a “provincial co-operative bank” which cuts at the very root of direct rural credit and benefits the capitalists in provincial headquarters at the cost of the poor agriculturists who live in the remote villages and have never heard of the name of “the Principal Bank”.

I may also point out here that the definition that I propose for a “provincial co-operative bank” is the same as that which the Honourable the Finance Member originally proposed, and I have nothing but unstinted praise for his sagacity, and it was carried in this House in 1927, when probably the House was more alive to the welfare of the masses.

As this definition was proposed by the Government originally and as the Honourable the Finance Member has evinced great concern for the agriculturists, I have no doubt my very humble and modest suggestion has the sanction and approval of the Government. I now commend the matter for the deep consideration of that section of the House that is really more zealous of the welfare of the co-operative movement and the peasant than the official section. In the category of peasants I include the small landholders, who, to all intents and purposes, are peasant proprietors. I may tell you once again, Sir, that by accepting my amendment, the District Central Co-operative Banks will not come within the fold of the Reserve Bank all at once, but only those that can fulfil the rigid conditions to be laid down by the Reserve Bank can come and it may be that, in course of time, a situation may come in the country when all the central co-operative banks will have claimed themselves with the Reserve Bank. Sir, with these words, I move my amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

“That for sub-clause (c) of clause 2 of the Bill the following be substituted:

‘(c) ‘provincial co-operative bank’ means any society which is registered or deemed to be registered under the Co-operative Societies Act, 1912, or any other law for the time being in force in British India relating to co-operative societies and the primary object of which is the financing of other societies in a province which are or deemed to be so registered;’ ”

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadas Rural): Sir, I have great pleasure in supporting this amendment which is moved by my friend, Mr. Mahapatra, in his excellent maiden speech. The amendment is nothing but the reproduction of the definition that was given in the original Bill. According to the original Bill, the definition of a “provincial co-operative bank” included any society in a province whose sole object is financing other co-operative societies started under the Co-operative Societies Act, 1912. Hence, even the central district co-operative banks came also under that definition. Now, according to the Bill, as amended, it refers only to the apex bank which is the principal co-operative bank in the Presidency. So the definition in the present Bill is very restrictive in its scope and operation.

Mr. G. Morgan (Bengal: European): What about the proviso?

Mr. T. N. Ramakrishna Reddi: I will explain the proviso afterwards. Now, Sir, the Select Committee had the advantage of the presence of witnesses like Mr. Ramadas Pantulu and Professor Kale and others who are perhaps the Presidents of the Provincial Co-operative Banks in their respective Presidencies and, therefore, they favour the restriction of the definition only to the apex banks in the Presidency towns. In clause 17 of this Bill, you will find the functions of the Reserve Bank. In sub-clause (b) of clause 17, it is mentioned that the functions of a Reserve Bank are "the purchase, sale and rediscount of bills of exchange and promissory notes, drawn and payable in India and bearing two or more good signatures, one of which shall be that of a scheduled bank or a provincial co-operative bank and drawn or issued for the purpose, etc.". Under sub-clause (4) of clause 17, the Reserve Bank can advance moneys to various banks mentioned therein including the provincial co-operative banks. Thus, under these clauses in the amended Bill, it is only the apex banks that get the benefit and not the central co-operative banks whose working capital exceeds more than five lakhs which is essential for any bank to come in the Schedule. The district co-operative banks are solely engaged in financing other rural credit societies for the purpose of financing agricultural operations and other purposes and the marketing of crops, and so on. Hence, the definition given in this amended Bill is very restrictive and it prevents the Reserve Bank giving help to such district central banks which are doing the same business in the districts as the apex banks do.

Mr. B. Das (Orissa Division: Non-Muhammadian): The district branches are the branches of the Central Bank.

Mr. T. N. Ramakrishna Reddi: Not necessarily. They are mere shareholders; they are not branches; they do independent work. Sir, this amendment has come about, simply because Mr. Ramadas Pantulu and others, who are the Presidents of the Provincial Banks, tendered their evidence before the Joint Select Committee. They have guarded the interests of these banks, but there was nobody to guard the interests of these central banks.

Khan Bahadur Mian Abdul Aziz (Punjab: Nominated Official): Is there any evidence that a district central bank has been starved for want of funds?

Mr. T. N. Ramakrishna Reddi: That is not the object. You may apply the same thing with regard to provincial banks. Why should the Reserve Bank help the provincial banks by making advances? I only wish to extend the same help to other central banks in the various districts which do the same kind of work. Hence, I have great pleasure in supporting this amendment.

My friend, Mr. Morgan, asked me to refer to the proviso. Well, Sir, the proviso simply says this:

"Provided that where there is no such principal society in a province, the Local Government may declare the central co-operative society in that province to be provincial co-operative society within the meaning of this definition."

[Mr. T. N. Ramakrishna Reddi.]

It only refers to a province where there is no apex bank such as the United Provinces, Orissa and Burma. But what about the other provinces where there are provincial co-operative banks? With regard to such provinces, it restricts its scope only to that particular bank.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly Non-Muhammadian Rural): Sir, I wholeheartedly support this amendment. It will be remembered that in my plea regarding the absence of facilities in this present Bill for the agriculturist to raise loans at the time when he has got to pay the Government *kist* or when he has got to meet the urgent demands for agricultural operations, I said that there was no facility given to him except by getting the counter-signature of one bank which is operating in the Madras City or probably in some populous centres, and there is one bank which is doing its work on the west coast. If this amendment is accepted, in view of the fact that there is a district bank in every district, and people who are in charge of the organisation of those banks, presumably the landholders in the district, can be approached by the agriculturists to raise money from the Reserve Bank. I can go to them and say that I have got my wares in my godown, but I cannot get money, because I do not want to sell them at the depressed rate. So I can have their counter-signature and then go to the Reserve Bank and, subject to my satisfying the usual conditions, I shall be able to get the money. That is an important reason why I would support this amendment. I do respectfully ask this House and the Honourable the Finance Member to restore what he himself had framed in the original Bill and which, for some reason or other, which I cannot understand, has been restricted to this one bank in each province partly conducted, as has been said by the Honourable the Mover, by capitalists who share all the profits, and, so far as the agriculturists are concerned, they have nothing to do with them except through one bank and another bank, and so on. That is a very unsatisfactory arrangement and I, therefore, say again that I do support the amendment.

Mr. Lalchand Navalrai (Sind: Non-Muhammadian Rural): The first duty I will do is to congratulate the youngest Member of this Assembly—Mr. Sitakanta Mahapatra, for having made a very good beginning. We know he occupies the seat of one of the oldest Members of this Assembly, Mr. B. N. Misra, whose death we all deplore.

Sir, I would submit that I am in full accord with this amendment and the attempt in this House is to give as much help to the rural credit as we can possibly do. Government profess that they have the same interest at heart and it is in that spirit that I see that the original Bill gave a wider definition of a co-operative bank. I find difference made in the Select Committee, because they have restricted the scope of the definition. The original definition was wide enough to include district co-operative banks and others, whereas, in the present Bill, it is restricted only to the principal co-operative society in a province. I do not know what reasons actuated the Select Committee to give this narrow definition and amend the Bill in this manner. I do not in the least agree with the amendment that has been made by the Select Committee. I am in full accord with the original provision. The result of restricting the meaning of a provincial co-operative bank will be affecting many sub-provinces and districts. In my province, Sind,—which is not a province, being a part of the province

of Bombay, and this definition, as it is, will do no good to Sind. It will not give it any co-operative advantage contemplated by this Bill.

An Honourable Member: It is going to be a province soon

Mr. Lalchand Navalrai: We do not know. I do not want to provoke controversy in this House at this stage by raising this question. We still believe that the Parliament will do justice to the minority community in Sind, namely, the Hindus, and not accept the separation of Sind. Whatever that may be, I do not want to say anything upon that question now, but I will restrict myself to the argument that I am placing before the House, namely, that Sind will be a sufferer if you restrict this definition and only make it applicable to co-operative banks of the province alone. Therefore, I do realise that the definition, as it is, will do a great harm and I suggest that the definition in the original Bill should be reverted to

Sirdar Harbans Singh Brar (East Punjab: Sikh): I rise to support the amendment moved by my Honourable friend, Mr. Mahapatra. It is a very well conceived amendment and, I am sure, that the Honourable the Finance Member, who had brought it out in the original Bill, will do so again now. Due to the City interests that prevailed in the Select Committee the clause was so altered, because they considered more the commercial and industrial interests in the principal towns of the province.

The Honourable Sir George Schuster: I must protest against the charges of my Honourable friend in this respect. (Hear, hear.)

Sirdar Harbans Singh Brar: Some of the central co-operative banks hold much larger capital than many of the banks which provide capital for industry and I do not see why they should be treated differently. In some provinces, there are as many as 30 to 40 central co-operative banks which are situated not in headquarters of the province, but in the districts with large capital whose main concern is to provide seasonal credit for agriculture and to provide the rural people with credit when they are badly in need of it. I would urge on the Honourable the Finance Member with much confidence to look not only to the commercial and industrial interests of the people in the city, but also to agricultural interests. If this clause is amended, as suggested by the Honourable the Mover, it will give an opportunity to the central co-operative banks to get credit from the Reserve Bank for financing the rural people. I heartily support the amendment and commend it for the acceptance of the House.

Hony. Captain Rao Bahadur Chaudhri Lal Chand (Nominated Non-Official): I join with my Honourable friend, Mr. Lalchand Navalrai, in congratulating the Honourable Member to my right on his maiden speech.

The object underlying this little change is a laudable one. It simply wants a provision to be made by which the central co-operative banks, that fulfil all the conditions laid down for the purpose of dealing with the Reserve Bank, should be given power to deal direct with the Reserve Bank and not through the provincial co-operative banks. The change is merely one of procedure. There is nothing against a co-operative central bank dealing with the Reserve Bank direct, for the proviso to clause 2 makes it possible for those central banks to come into direct contact with the Reserve Bank where there is no provincial co-operative bank. Therefore, it will mean that the Central Bank at Delhi will have direct dealings

[Rao Bahadur Chaudhri Lal Chand.]

with the Reserve Bank, while the co-operative district bank of Lyallpur, which is perhaps 15 times bigger than the Delhi Bank and much more efficient than the Delhi Bank, will be debarred and will have to come, through the provincial co-operative bank. So this is merely a matter of procedure and, as it will do away with, what I may call, one middle-man, it will be indirectly beneficial to the individual members, for the individual members will have only to deal through one bank, whereas if they are forced to go through the provincial bank, they will have the middle-man and each one of them will have some margin left for himself. So there is nothing much in this change except that it will make it possible for district co-operative banks which are doing very good work and which have got much bigger capital than some of the scheduled banks to come into direct touch with the Reserve Bank.

I was looking into the report of the Select Committee and I find that this change is not even referred to in the report. From clause 2, sub-clause (b), the report passes on to sub-clause (d). No particular reasons have been assigned and, therefore, I think the Select Committee thought that it was a change which mattered very little. Therefore, I am sure, the Honourable the Finance Member, who very rightly in his original Bill brought in all the central banks that made it possible for the central banks to come in, will kindly accept this small amendment. But, as I have said, this is not such a fundamental change and I would not ask my friend, the Mover, to press it to a division. I hope the amendment will be accepted by Government and also by all other parts of the House. Sir, I support the motion.

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

The Assembly re-assembled after Lunch at Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammedan Urban): Sir, I beg to support the amendment that has been so ably moved by my friend. His amendment really brings it back to the position in which it stood when the Bill was first introduced into this House. I understand that the Select Committee made this amendment at the suggestion of some non-official experts of the provincial co-operative department who came as witnesses before the Committee: I think that there is a great deal of force in what my Honourable friend has said that it should be possible for the district central banks also to come to arrangements with the Reserve Bank and to get loans from the Reserve Bank. It ought not to be necessary for every co-operative bank in the whole province to go to the Reserve Bank only through the medium of the provincial or the apex bank of the province. Apart from all other considerations, political and otherwise, which may detract from the value of the privilege given to the co-operative system if this inhibition was laid on the other central banks, there is this consideration that inevitably it will ultimately increase the rate of interest which will have to be paid by the primary producers and consumers. The provincial bank will, in

its turn, charge a little more rate of interest to the district central bank: the district central bank will, in its turn, charge a little higher rate of interest to the primary co-operative societies, and so on: just as for instance when a local body gets a loan from the Local Government, the Local Government get it from the Government of India; each of them passes on a certain amount of added interest till the local body feels that it is unable to take a loan at the rates of interest charged. Therefore, I think that it will be advisable if a certain number of other central banks than the apex bank are also given the privilege. I do recognise that it will not be possible to give this privilege to every one of the district banks and, if it is necessary, I am prepared to accept the suggestion personally that these other central banks, other than the provincial head bank, should be among a list of approved banks by the Local Government in which case the danger, that the Select Committee was apparently confronted with, would disappear. I, therefore, support the amendment moved by my Honourable friend.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan Rural): Sir, as a member of the Select Committee, I also have very great pleasure in supporting this proposed amendment. My Honourable friend, in his excellent maiden speech, has brought out all the arguments in favour of his proposed amendment. So far as I remember, the clause, as it stands in the Bill, was inserted at the instance of some of the expert witnesses, and I hope Government also will see their way to accept this arrangement which has for its object the extension of the benefit of the Bank to the co-operative societies, and to banks other than the apex banks to which reference is made in the clause in question.

The Honourable Sir George Schuster: Sir, I should like to make it clear on my own account and I think on account of every member of the Joint Select Committee, who has not spoken today, that as far as the object is concerned, we are entirely at one with those Honourable Members who have supported this amendment. We want to do the most that we can to bring the co-operative movement into touch with the Reserve Bank; but we felt that it does not necessarily follow that in order to do that the right thing to do is to try and put every co-operative society into direct touch with the Reserve Bank. The principle on which we were working in fact was that, in order to help the co-operative movement, the first thing that is necessary is that the co-operative movement itself should be well organised; and, in limiting the definition to the apex societies in each province, we had in mind that it would help the movement if an apex society was confirmed in its own position of authority for controlling and co-ordinating the co-operative organisations in the province. On the other hand, we have already had to admit an exception to that: we particularly had in mind the case of the United Provinces where there is no apex society; and I am told that the same situation also prevails in Burma; and, therefore, we added a proviso to the definition, and, in a sense, by doing that, we have to some extent departed from the principle or at least admitted an exception to it. I have had the advantage in the luncheon interval of talking personally to one or two Members who have supported this amendment, and I think that the simplest way of meeting everybody's object would be to add a few words to the proviso. My own suggestion—and this has been only hastily considered—is that the words “in addition

[Sir George Schuster.]

to such principal society in a province or" should be added after the words "provided that", so that the proviso would read as follows:

"Provided that, in addition to such principal society in a province or where there is no such principal society in a province, the Local Government may declare any central co-operative society in that province to be a provincial co-operative society within the meaning of this definition;"

I think that is the simplest way of allowing in special cases or rather in approved cases an ordinary central co-operative society to get into direct contact with the Bank and to make it possible that its signature on a bill will be counted as a good one. Speaking on behalf of Government, I should have no hesitation in accepting that position and I believe that my Honourable friends, who were on the Select Committee, would also be agreeable to modify their own views to that extent.

I would just like to add that in adopting the form which we did we were also in accord with the recommendations of the Central Banking Inquiry Committee, whose recommendation was that it should be a provincial society which should be given these privileges. That merely is an additional support to the view that we took, but I do not consider it as any substantial modification of that to accept the words which I have suggested; and if that is acceptable to my Honourable friend who has moved this amendment and those who have supported it, I can say at once that we should accept it on behalf of the Government.

Before I sit down, I would like to associate myself with those who have congratulated the Honourable Member who moved this amendment on a very interesting maiden speech, and I would like to say how pleased we are to see him with us and to welcome here another Member from that highly favoured area of India, called Orissa, who will be, I think, a fitting colleague to co-operate with my Honourable friend, Mr. B. Das, whom we all know so well, on behalf of what he himself so frequently describes as the teeming millions of India. Sir, that is our position. I will read the words again. The proviso would then read:

"Provided that in addition to such principal society in a province or"

and then it goes on as it stands. That is our position, Sir, and I would be very glad to know if that satisfies my Honourable friend.

Mr. Sitakanta Mahapatra: Sir, I am prepared to accept that amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): Do I take it that the Honourable Member moves it as an amendment?

The Honourable Sir George Schuster: I am prepared to do that if my friend will withdraw his amendment.

Mr. Sitakanta Mahapatra: Yes, I am willing to withdraw it.

The Honourable Sir George Schuster: Sir, I move:

"That in the proviso, after the words 'Provided that' the following words shall be added:

'in addition to such principal society in a province or'."

Mr. President (The Honourable Sir Shanmukham Chetty): Does the Honourable Member accept that amendment, and would he ask the leave of the House to withdraw his amendment?

Mr. Sitakanta Mahapatra: Sir, I accept the amendment proposed by the Honourable the Finance Member and I would ask the leave of the House to withdraw my motion.

Mr. President (The Honourable Sir Shanmukham Chetty): Has the Honourable Mr. Mahapatra the leave of the House to withdraw his amendment?

Several Honourable Members: Yes, yes.

The amendment of Mr. Mahapatra was, by leave of the Assembly, withdrawn.

Mr. President (The Honourable Sir Shanmukham Chetty): Then the question I have to put is:

"That in sub-clause (c) of clause 2, in the proviso, after the words 'Provided that', the following words be added:

'in addition to such principal society in a province or'."

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty): The next amendment is No. 11 standing in the name of Raja Bahadur Krishnamachariar.

Raja Bahadur G. Krishnamachariar: Sir, the amendment that I have the honour to move reads thus:

"That to sub-clause (e) of clause 2 of the Bill the following be added:

'and such other banks and bankers who carry on the business of banking according to indigenous methods a list whereof shall be notified in the Gazette of India from time to time by the Governor General in consultation with the Local Governments and the Central Board and subject to such conditions regarding capital, maintenance of accounts, inspection and credit as the Central Board may lay down'."

Sir, my object is that to the list of scheduled banks these indigenous banks and bankers should also be added. I have copied these words from the Report of the Central Banking Inquiry Committee, because, at pages 106 to 110, where they deal with the facilities to be accorded to indigenous banks and bankers so as to bring them in contact with the Reserve Bank, they have made this suggestion. The reasons for the addition of the above have been so elaborately given by the Banking Inquiry Committee, that I do not think I need dwell on them at length. But, shortly, the position is this. The Central Banking Inquiry Committee have found that in some manner or other these indigenous bankers and banks must be brought into line with the banks that have been included in the Schedule, because they found that India consists of 2,400 towns, and there are only 444 banks which serve these large number of towns. Besides that, the facilities which these indigenous bankers are prepared to give are more easily accessible than the facilities offered by these central banks with their registered offices far away and all the other paraphernalia of a bureaucratic administration.

An Honourable Member: Question?

Raja Bahadur G. Krishnamachariar: Somebody questions. I am sure, if they had some experience of the way in which some of the scheduled banks are carrying on their business, they will not question my statement. However, Sir, the position is this. We want agricultural credit; we want that some method should be devised by which we might get the money that is required for paying the Government *kist*, or meeting the expenses of agricultural operations and for marketing the crops, and in order to facilitate the getting of that credit near our own places rather than go all the way from one end of the Presidency to another only to be told perhaps—"We do not know you and so we cannot give you credit"—we want this facility. And, Sir, in view of the fact that the Central Banking Inquiry Committee was set up in order to find out the conditions under which the banks work in this country so that they may determine how the Reserve Bank may eventually be constituted, I think this amendment, which is a very simple one, ought to commend itself to Government. And, Sir, I do not know why the Finance Member has not told us as to the conditions under which the Committee in London was set up and the conditions under which it was set up, because, Sir, in view of the conclusions arrived at by the Central Banking Inquiry Committee, I respectfully submit that it was their duty to go into this matter for what reason these indigenous bankers could not be roped into this scheme as members of the scheduled banks. As for their capacity, I think it is well known that there are several bankers throughout the country each one of whom has got capital worth three or four times more than the capital of three or four scheduled banks put together. The only objection that could be raised against their inclusion is with regard to their method of doing banking business, because their ways are quite different from the modern methods. In order to provide against that, I have stated that subject to such conditions regarding capital, maintenance of accounts, inspection and credit as laid down by the Central Board.

Now, Sir, the Central Board which will direct the affairs of the Bank knows exactly what sort of conditions should be laid down, and if these indigenous banks and bankers, for whom I am speaking, are willing to conform to those conditions, there is absolutely no reason why they should not also be brought within the scheme of this Reserve Bank Bill. Sir, I move

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): May I ask just one question, Sir? Why should not the indigenous bankers just now conform to the conditions that are laid down for scheduled banks, and then they could come under the Act immediately.

Raja Bahadur G. Krishnamachariar: I am not quite sure if I have followed the question correctly. Is it the point that they should get themselves registered as these banks under the Companies' Act?

Sir Cowasji Jehangir: Yes.

Raja Bahadur G. Krishnamachariar: Now, with regard to that, I am sorry I am not enamoured of Companies management under the Act. I may give one or two instances. There are two great bankers in Hyderabad, Raja Narsingirjee and Raja Bahadur Sir Bansilal, and between them they have got a capital of four or five crores. They certainly do not want to take in partners with them. I do not know how, under the Companies

Act, they could be included as theirs will be a one-man concern, but certainly I do think they are entitled to be brought in without their being compelled to be registered as a company under the Act and then get the advantages. As a matter of fact, I am not sure whether some of these bankers may be willing to do so if you put all these conditions, but in order to safeguard the money that the Reserve Bank will advance, conditions have got to be laid down. By all means lay down the conditions, insist that those conditions should be observed very strictly, and so long as provision is made for including them in the scheduled banks, I shall be satisfied, and there is no reason why they should go through the door of the Indian Companies Act.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

“That to sub-clause (e) of clause 2 of the Bill the following be added:

‘and such other banks and bankers who carry on the business of banking according to indigenous methods a list whereof shall be notified in the Gazette of India from time to time by the Governor General in consultation with the Local Governments and the Central Board and subject to such conditions regarding capital, maintenance of accounts, inspection and credit as the Central Board may lay down.’”

The Chair would just like to point out to the House that technically the Honourable Member is in order in moving that amendment, but the Chair would ask the House to realise that, if the amendment is adopted by the House, it would impose upon those banks all the obligations mentioned in clause 42. If Honourable Members want to exclude these indigenous bankers from those obligations, then consequential amendments will have to be made to clause 42 and other clauses.

Raja Bahadur G. Krishnamachariar: May I submit that I have, in one of my amendments that I propose to clause 42, mentioned some of those facts, but I am not sure I have done that so comprehensively as is now suggested by you.

The Honourable Sir George Schuster: On this point also I think there is no quarrel between anybody in this House on the general object of my friend, but I feel that there are certain objections in attempting to achieve his particular object in this way.

We considered this matter very carefully in the Select Committee, and we decided that it would not be satisfactory to put into the Bill anything in the nature of a blank cheque and that, before an attempt was made to bring the so-called indigenous bankers within the sphere of the scheduled banks, the whole problem needed rather more thinking out. We, therefore, adopted the alternative recommendation of putting upon the Bank a statutory obligation to study this problem and put up proposals as quickly as possible. We believe that that is the more satisfactory way of dealing with it.

I would point out to my Honourable friend that the position of a scheduled bank carries with it obligations and restrictions as well as privileges. I hope that no one in this House would support bringing in a group of bankers within the circle of the privileges which are available to scheduled banks without imposing upon them the corresponding restrictions and obligations. I venture to ask my Honourable friend whether he is quite satisfied that all these indigenous bankers would welcome it if they suddenly

[Sir George Selvester.]

found that the Governor General had, after due consultation with the various authorities which he has suggested, notified them on a list in the Gazette of India as liable to put up the Statutory minimum compulsory deposits with the Reserve Bank, and so on.

There are two sides to this question, and I venture to put it to my Honourable friend that it is better that this matter should receive a little more consideration, and that carefully thought out and definite proposals should be provided for by legislation rather than that we should give, what I have described as, a blank cheque to the Governor General to add anybody whom he likes to the list of scheduled banks. Another point which I would like to put arises out of what you, Sir, yourself have said. It seems to me that, in a definition clause, it is rather unsatisfactory to attempt to provide for something which is intended to be really an operative Statutory provision. When one approaches these matters by the entrance door of the definition clause, one may find that a series of consequential amendments would have to be made in the operative clauses of the Bill, and I should not like to say myself offhand what consequential amendments would be necessary if this alteration were made in the definition. I, therefore, venture to put it to my Honourable friend that it would, if he wants to move a substantial proposal of this kind, really be better to do so in connection with clause 42 and the discussion on the second schedule. Then we shall know where we are, but at present if we were to adopt this definition, we might find that it did not accord with the other provisions of the Bill. That, Sir, is a formal point, but I would like to come back to the point of substance which I have made, and ask my Honourable friend whether he really wishes to press this amendment now and whether he does not think that the recommendation which we have made that this matter should be taken up at once by the Central Board and that they should submit carefully considered proposals for legislation on the subject—whether he does not think that that is really the most businesslike way of dealing with this question and one that is likely to produce the most satisfactory results to all concerned including those whose interests he is seeking to further by his amendment.

Raja Bahadur G. Krishnamachariar: I am sorry, the Finance Member was not able to accept it. No doubt, from his point of view, the reasons are quite good, but then, so far as some of the conditions imposed upon the scheduled banks under clause 42 are concerned, the Central Banking Inquiry Committee stated regarding compulsory deposits that they need not be made to make those deposits at all. (*An Honourable Member:* "Why?") I do not know, they have given the reasons, and they are there in that book. When I tabled this amendment, the clause referred to by the Honourable Member was before me, and I did so in spite of the fact that it was there, because I feared that, once you put it in that manner, as these things have generally a habit of being put off, and off and off, and as

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Honourable Member has no right of reply on an amendment. The Chair thought he was just going to explain his position whether he was going to withdraw or stick to his amendment.

Raja Bahadur G. Krishnamachariar: In view of the fact that the Honourable Member is not willing to support it, I am afraid, there is evidently not much support in this House, and, therefore, I beg leave to withdraw the amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President (The Honourable Sir Shanmukham Chetty): The next amendment is by Mr. S. C. Mitra. It adds a new provision at the end of clause 2, but the Chair would inform the House that if they accept Mr. Mitra's amendment, then Mr. Bhuput Sing's amendment and Mr. Vidya Sagar Pandya's amendment will be out of order and cannot be moved. Honourable Members have got three amendments before them and they have to make up their minds which one they are going to support.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): I do not want to move my amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): Mr. S. C. Mitra.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Sir, I move:

"That at the end of clause 2 of the Bill, the following be added:

'(f) 'Governor General in Council' means Governor General as advised by the Member in charge of Finance'."

The purpose of my motion is to add another definition. . . .

The Honourable Sir Brojendra Mitter (Law Member): I wish to take a point of order.

Mr. President (The Honourable Sir Shanmukham Chetty): You can. He has moved the amendment.

The Honourable Sir Brojendra Mitter: I submit that this amendment is out of order. The powers of the Indian Legislature are defined and limited by section 65 of the Government of India Act. Section 65(1) says that the Indian Legislature has power to make laws in certain cases, (a) to (f). Then, in sub-section (2), we find:

"Provided that the Indian Legislature has not, unless expressly so authorised by Act of Parliament, power to make any law repealing or affecting—

(i) any Act of Parliament passed after the year one thousand eight hundred and sixty and extending to British India . . ."

My submission is that this amendment will affect the Government of India Act which is an Act passed after 1860. (*An Honourable Member:* "How?") I am going to show that. Section 40 deals with the Business of the Governor General in Council, but, before I deal with section 40, I will refer you to section 184 in which the term "Governor General in Council" is defined to mean "Governor General in Executive Council". Section 40(2) says:

"The Governor General may make rules and orders for the more convenient transaction of business in his Executive Council."

[Sir Brojendra Mitter.]

It is the Governor General's power to make rules for the distribution of business and it is by virtue of this clause that matters are brought before the Executive Council. As is well known, every administrative matter or every question that arises in the Government of India does not necessarily come before the Executive Council. It is only such matters as the Governor General directs should be discussed in Council that come before the Council and it is by virtue of the power given under section 40(2) that matters come before the Council. Then, if you look at section 41, you will see what the powers of the Executive Council are. Sub-clause (I) says:

"If any difference of opinion arises on any question brought before a meeting of the Governor General's Executive Council, the Governor General in Council shall be bound by the opinion and decision of the majority of those present."

I stop there. The power is vested in every Member of the Council to discuss matters brought before the Council and to vote upon it. Now, if the Governor General in Council means the Governor General acting on the advice of the Finance Member only, then you are taking away the power that is now vested by the Government of India Act in the other Members of Council. By virtue of section 41(1), every Member of Council can discuss a matter which is brought before the Council and to vote upon it. Mr. Mitra's amendment is that the Governor General in Council means the Governor General as advised by the Member in charge of Finance. That being so, you are taking away from the other Members of Council the right to vote upon matters concerning the Reserve Bank and quite conceivably out-vote the Finance Member. Then, Sir, we come to 41(3), where the Governor General acts against the advice of his Council. In every such case, any two Members of the dissentient majority may require that the adoption, suspension or rejection of the measure and the fact of their dissent be reported to the Secretary of State. This sub-clause gives any two dissentient Members of Council the right to have a reference to the Secretary of State. If Mr. Mitra's amendment is accepted, that right *vis-a-vis* the Reserve Bank is taken away. Therefore, my submission shortly is this, that this amendment contravenes section 40(2) in that it prevents the Governor General from bringing matters connected with the Reserve Bank before the Council and to be bound by the opinion of the majority. Secondly, it takes away the powers which are, by the Government of India Act, which is a Parliamentary Act, now vested in Members of Council other than the Finance Member and, thirdly, it takes away the power to refer which is now vested in any two dissentient Members of Council. Thus, this amendment contravenes or, at any rate, affects, the provisions of the Government of India Act. The language is "affect":

"The Indian Legislature has not power to make any law affecting any Act of Parliament."

My submission is that this amendment will affect the Government of India Act in the matters which I have submitted. Therefore, it is not competent for the Indian Legislature to pass a measure like this. What is the result if this Legislature passes something which it is not competent to do. For that I refer you to section 84:

"A law made by any authority in British India and repugnant to any provision of this or any other Act of Parliament shall, to the extent of that repugnancy, but not otherwise, be void."

Therefore, if anything is passed by us which is repugnant to the Government of India Act, it will, to the extent of that repugnancy, be void. Are you going to do something which is void? I submit that we ought not, and that you should rule this amendment out of order. I refer you to a well-known principle of law recognised in Courts of justice. Courts of justice never do anything in vain. You apply for an injunction. If it is found that that injunction will be ineffectual, the Court will never grant that injunction. I would ask you to apply the same principle. Let us not do anything in vain.

Mr. Vidya Sagar Pandya: May I ask whether this objection applies equally to my amendment?

Mr. President (The Honourable Sir Shanmukham Chetty): That will be dealt with when that amendment is reached.

Mr. S. O. Mitra: The definition of Governor General in Council in section 134 applies only to the Government of India Act and this phrase "Governor General in Council" has been defined in the General Clauses Act and other Acts also. As regards the contention of the Honourable the Law Member that my amendment will deprive the other Members of the Governor General's Council, I can refer him to section 43 of the same Act. Section 43(2) says:

"The Governor General, during absence from his Executive Council, may, if he thinks it necessary, issue on his own authority and responsibility any order which might have been issued by the Governor General in Council to any Local Government, etc."

There are other similar provisions in the same Act itself. Had it been so repugnant as the Honourable Member thinks it to be, namely, that it deprives the Members of the Executive Council of the Governor General of certain rights, how is it that in the same Act, in section 43, it is provided that the Governor General can act for himself on behalf of the Governor General in Council in certain cases?

The Honourable Sir Brojendra Mitter: Sir, it will shorten matters if I draw my Honourable friend's attention to the words in section 65, "unless expressly so authorised". In those other sections there is express authorisation.

Mr. S. O. Mitra: My main contention is this, that the definition applies only to this particular Act, the Government of India Act itself. As regards the other Acts, certainly, if it is repugnant to the context, then it will not apply, but may I ask the Honourable the Law Member if, instead of putting this definition here, I could put in in every place in the different clauses where the words "Governor General in Council" appear, the words "Governor General as advised by his Finance Member"?

The Honourable Sir Brojendra Mitter: That may be all right.

Mr. S. O. Mitra: Then, that makes the Law Member's contention very ridiculous, because the purpose of my definition is only to cut short redundancy. If my Honourable friend goes to that extreme and is prepared to accept the words I propose to be substituted, namely, "Governor General as advised by his Finance Member".

The Honourable Sir Brojendra Mitter: Sir, probably I did not express myself quite clearly. On the argument that I have adduced before you, that amendment would offend against another section of the Government of India Act. It will immediately affect section 33 of the Government of India Act which says:

"Subject to the provisions of this Act, the superintendence, direction and control of the civil and military government is vested in the Governor General in Council, who is required to pay due obedience to all such orders as he may receive from the Secretary of State."

Now, the civil and military administration being vested in the Governor General in Council, if you take away money matters from the Governor General in Council and vest the powers in the Governor General *plus* the Finance Member, then you offend against section 33.

Mr. S. C. Mitra: Sir, the absurdity of that contention, you know every day. We all know that the Governor General in Council really means the Member in charge of his Executive Council assisted by the Secretary. Where there is no question raised by other Members of the Executive Council, the decision of the particular Member in charge of the Department is final. I say that the Honourable the Law Member's contention is without any substance. What I wanted to do was to shorten the labour of the House by putting it in the definition clause instead of moving so many amendments in almost all clauses and, for the purposes of this Bill, the Governor General in Council means

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. It is an obvious fact that this House has not got the jurisdiction to restrict the powers vested in the Governor General in Council by the provisions of the Government of India Act. That is a quite obvious fact which does not require any elaborate argument. It is certainly open to this House, by an Act of this Legislature, to confer powers on any authority in India, provided the conferment of such powers is not inconsistent with any of the provisions of an Imperial Act. For example, in this Bill itself, this Legislature seeks to confer powers on the Central Board of the Reserve Bank. In another Bill it seeks to vest certain powers in the Board of Directors of the Imperial Bank. Similarly, the object of Mr. Mitra's amendment is to vest certain powers in a new body, "the Governor General acting with the advice of the Finance Member". To that extent, the House would be perfectly entitled to pass any law vesting certain powers in the Governor General acting with the Finance Member so long as that does not impinge upon the powers of the "Governor General in Council"; and I think, therefore, that this amendment is in order.

Mr. S. C. Mitra: Sir, the purpose of my amendment is to test the *bona fides* of the Government, whether they really want this Central Bank of India not to be influenced by politicians, not only in India, but in England as well. That is the main purpose of this motion. Sir, I know the limitations of the powers of this House that we are not a sovereign Legislature. It is not necessary for the Honourable the Law Member or anybody else to remind me that, by some adaptation of clauses in the future Government of India Act, they can nullify all the purposes of this Legislature, but yet it is the bounden duty of this House to make

it clear, not only here but also in England, what our people demand and how this Bank should function, and if we are agreeable to accept the self-denying ordinance of having no power to exert any political influence over this Reserve Bank, we also want that the British politicians, in the interests of the financiers of the City of London, should not be enabled to influence the policy of the Reserve Bank. The discussion that we have had during the last three or four days as to whether it should be a State Bank or a Shareholders' Bank also principally hinges on the attitude of the Government on this motion. It has been very ably said by my friend, the Deputy Leader of our Party, Diwan Bahadur Ramaswami Mudaliar, that similar provisions are to be found everywhere, for instance, in the Australian State Bank, securing essential connection with the Governors General, but will he further consider what is the position of those Governors General as compared with the Governor General in India? I know His Excellency Lord Willingdon is very much anxious to be a constitutional Viceroy and Governor General. When that day will come, we shall have no objection to the Governor General being the ultimate authority to decide on many essential points; but what is the position today? It is no secret to anybody that as the Governor General in India is not responsible to anybody here, he is not a constitutional Governor General like the Governors General of Australia or Canada, and it has now become almost a fashion for the Governor General to be dictated to in the day-to-day policy by the Secretary of State.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): As if he is a post office.

Mr. S. C. Mitra: There was a time when there were more powerful Viceroys who resented this interference. I mean no reflection on the Governor General, but it is known to everybody in this House that even in minor matters, due to facilities provided by cablegrams and so forth, the Government of India have in effect been converted into almost a post office to carry out the orders of the Secretary of State. (Hear, hear.)

Sir, we in India certainly welcome a Reserve Bank, and we hope that India will have a constitution in the near future under which there will be a responsible Minister. With that expectation we fully agree that this Reserve Bank will primarily look to the interests of Indians. There is not the least contention on anybody's behalf that there should be any interference in the day-to-day affairs of the Reserve Bank of India by any politician, Legislature or the Government. What we claim is that finance being a transferred subject, the future Finance Member should be the proper person to advise His Excellency the Governor General to decide all vital questions. On these grounds I move that this definition may be accepted. If the Honourable the Finance Member accepts this amendment, it will be far easier for him to carry all the clauses of the Bill without much opposition from us.

Mr. President (The Honourable Sir Shanmukham Chetty): Amendment moved:

"That at the end of clause 2 of the Bill, the following be added:

"(f) 'Governor General in Council' means Governor General as advised by the Member in charge of Finance."

Mr. Vidya Sagar Pandya: Sir, it is very necessary that some definition of the Governor General in Council should be put in the Bill. Before I proceed, let me apologise to the House for a wrong information which I gave yesterday. The Governor General in Council appears in the Bill 92 times and not 88 times and the word "shareholders" appears 23 times. The result is that there is something like a partnership between the Governor General in Council and the shareholders through the Board of Directors appointed by them.

I am reminded of a small story which is very applicable to the present case. There were two boys, one a big boy, who had a shilling in his pocket, and there was another boy who had only a penny or two. By themselves singly they could not buy a cigar which they really wanted and, therefore, they formed a joint stock company of the shareholders type like this proposed Bank. When the good cigar was purchased, the big boy began smoking without allowing the small boy to have any pull at the cigar. Then the small boy said: "Look here, I have also subscribed two pence for it and why don't you allow me to have a smoke." The big boy said: "Look here, I am the managing director; so I will smoke and you can spit." (Laughter.) That is exactly the position of the Governor General in Council as the big boy in this Bill. The shareholders may spit though they have no power to do that even under the Bill. I wanted to call the Governor General as the Hero of this play, but a friend of mine says that he is the Villain of the piece. As such great powers are vested in him, it is absolutely necessary that we should know beforehand what the expression "Governor General in Council" means. Whether the Governor General means a gentleman sitting at a distance of 6,000 miles and pulling the strings of a "*kath-ka-pulla*", that is, a wooden doll, such as you see sold in the bazars of Delhi which goes on playing as the strings are drawn by the man who holds him. If the Governor General is to mean, as has been given out in the evidence of the Secretary of State for India, then I think it would be better that we did not have the Bill at all, because it will be worked in the interests of the London financiers and as dictated by the Whitehall. I am very sorry for our friends who went to England on our behalf to attend the London Committee. (*A Voice* "They were not appointed by us.") Very well, Sir, if I am wrong, I stand corrected. What I feel is that clause 119, which runs as follows, is very dangerous:

"The consent of the Governor General, given at his discretion, will be required to the introduction in the Federal Legislature of legislation which repeals or amends or is repugnant to any Act of Parliament extending to British India, or any Governor General's or Governor's Act or Ordinance or which affects any Department reserved for the control of the Governor General, or the coinage and currency of the Federation, or the powers and duties of the Federal Reserve Bank in relation to the management of currency and exchange or" etc., etc.

Now, the question is, whether under these circumstances, we are going to pass this Bill. In fact, we are being compelled to pass this Bill and we are told that it is open to us to pass this Bill, but we cannot touch the Bill hereafter. Then what is the use of such a Bill? Are we entirely to be left under the control or mercy of the Whitehall and the Secretary of State at their sweet will and pleasure? That is why we are anxious that the Governor General in Council should be so defined that he should be able to act on the advice of Ministers who may be responsible to the Central Legislature and not to a gentleman at such a long distance. I will

not tire the House with anything more. As soon as the Select Committee sat on the Bill, the first thing I did was to send a letter to the Honourable the Finance Member requesting him to kindly make this matter clear as to what will be the authority or powers of the Governor General in Council, not only now, but also in the new Federal Legislature. Subsequently, 12 other members of the Select Committee made a similar representation and a sort of explanation, which amounts to nothing practically, was given by the Finance Member. The matter was ably raised by my Honourable friend, Mr. Neogy, and others yesterday. Let me tell the Finance Member that his explanation yesterday did not satisfy us in the least. We have said in our minute of dissent that, if this matter is not made sufficiently clear, it will be open to us at any further stage of this Bill to advise the House not to proceed with the Bill. Sir, I support the amendment.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, this Bill, as it has emerged from the Select Committee, may be said to have been improved to a large extent. But, we know the conditions that existed when it was presented before the Select Committee and the way in which the proceedings of the Select Committee were conducted and we know also how our suggestions have not been adverted to, as they were according to the public opinion and public wishes.

I do not want to enter into anything which may be confidential in the Select Committee, but certainly I am bound to say that the whole Bill has no democratic principle in it. The whole basis of this Bill is autocracy, pure and simple. I know that some of my friends here have spoken on the advisability of having a State Bank. But, as the Bill is under consideration and we know it for certain that a Shareholders Bank is coming and there is no other alternative for us, it is my duty before the House to show at least that, as we are about to enter into a new era of new Constitution, we should not make ourselves the laughing stock of the whole world and I should ask the House, therefore, to plead at least for democracy for this country. I would appeal to my countrymen that if they do not find in this Bill things, which are really based on democratic principles, it should be their first duty, as citizens of this country, as honourable citizens of India, to throw out this Bill unless they find that it is based exactly on those principles and nothing more.

This amendment which has been moved by Mr. Mitra is only based on democratic principles. It does not say that the Governor General in Council or the Governor General himself should have no power at all. This amendment does not derogate in any way from the powers of the Governor General in Council or the Governor General. It only strives towards democracy and nothing more. The principle underlying this amendment is that the Governor General should not have autocratic power of doing anything. I would ask the House to see whether the amendment proposed makes the next Governor General in a democratic country, for which we are all striving in the new Constitution, act as an autocrat or should he be allowed to act as a democratic ruler? The only amendment is that he should be advised by the Finance Member. Who will be that Finance Member? He will be the representative of the people who will be returned by the votes of the people. It is perfectly clear that His Excellency the Governor General will not be returned by any votes, he will not represent anyone, he will be the representative of the State. I would ask the House to consider this position, whether this small amendment, only to base the whole Act on democratic principles, is compatible

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with reason, or is it compatible with reason that autocratic powers should be given to one who does not come by election. I ask, why should the powers not be given to one to advise only, who represents the teeming millions of the country? The amendment is a very small one, striving towards democratic ideal which every one in this House—I do not mean nominated Members, I mean the elected Members who have to go to their constituencies—I presume, desires. If my Honourable friends do not vote for this amendment, they deny themselves the right to be elected by their constituencies and they really deny the principle that they are representing a democratic country. I consider that the honour of this country is involved in this amendment of Mr. Mitra. If you do not agree with me that the great principle involved is that the man who represents the teeming millions of India should be the future Finance Member, then I do not know how you can call the next Constitution as one based on democratic principles. By defeating today the amendment of Mr. Mitra, you show to the world that you are yourself not of the democratic mind, but you want to be dictated to by an autocrat, whether it be in India or the Secretary of State or from the London merchants. So far as I have been able to read in the papers today, I find another argument is presented before the House, that this Bill should be a businesslike Bill. If you leave it to one man, will that be businesslike? I submit that this House wishes that in the future Constitution the best adviser, on whom the country shall rely and on whose advice very often the Government of India will have to base their financial policy, shall be the Finance Member. So far as the monetary policy is concerned, the Finance Member should have the uppermost voice. It is only on business principle that we want it. Although there are other advisers of His Excellency the Governor General, such as the Political Secretary or the Commerce Member or even the Law Member, they will not be acting on the principles of business, but it is only the Finance Member who will be acting on business principles. The only object of this amendment is business. I say it vehemently that the Finance Member in the future Constitution shall be the only man on whom, so far as the business side of India is concerned, the Government will have to rely, and even today what do we find? It is to the Finance Member that we look forward when business questions come up. You can very well see that if this amendment is not passed, it would really amount to this that the whole administration of finance of India will not be carried on business principles. There is also a misapprehension, I should say a mischievous misapprehension that if any matter is raised on democratic principles, it is said that you doubt the honesty of such and such a person and that you doubt the ability of the Governor General. It is not so. We do not doubt the capacity of the Governor General, but we want to strengthen the hands of the Governor General by that businesslike advice of the future Finance Member which is the governing principle of sound finance. With these words, I support the amendment.

Mr. B. R. Pari (West Punjab: Non-Muhammads): To borrow a phrase from the admirable speech, delivered the other day, by Raja Bahadur Krishnamachariar. I am also another "man-in-the-street". So far as the present Bill is concerned, I find myself more or less in the unhappy position of the elderly lady who, when told by the commander of the ship that they would soon be crossing the equator, said: "Oh! how lovely. Now, I have heard so much about the equator. Mary,

would you please run down to my cabin and get my opera-glasses". Sir, most of us, so far as some of the complicated problems connected with the present Bill are concerned, are no better than this good lady. There are, however, certain aspects of the Bill which even humble lawyers are able to follow; and the question involved in the present amendment is certainly one which is of that description.

Sir, this Reserve Bank reminds me of a little incident which once happened to myself. Having met an old friend after a long time who was not looking very cheerful, I said: "Hallo, what's the matter with you? You are not looking very fit". He said: "Don't you know, I am suffering from matrimonial dyspepsia". "Matrimonial dyspepsia?" I said, "what is that?" "Don't you know? It is a well known malady." He said, "It means that my wife does not agree with me." (Laughter.) Sir, we are suffering from "banking dyspepsia", this Bank does not agree with us. (Laughter.)

So far as the present amendment is concerned, the question is very simple. If we for a moment turn our attention to the controversy raised during the Select Committee proceedings regarding this Adaptation clause, and consider the reply of the Secretary of State as to what he intends to accomplish by this innocent Adaptation clause, it would serve as an index to judge the *bona fides* of the framers of this Bill and should be an eye opener to this House.

Sir, so far as the creation of a Reserve Bank is concerned, a very interesting situation is created, and, to put it bluntly, it comes to this. The British people say: "You have been clamouring for a long time for a new Constitution. You will get it; but to this new Constitution there is a condition precedent. No new Constitution can be brought into existence without there first being a Reserve Bank. That is an absolutely indispensable condition. Therefore, before you could legitimately ask us to grant you a new Constitution you must bring us a Reserve Bank." Very good, so far it is quite all right. But, then, the British Government lay down the next condition and say: "But this Reserve Bank must not be any sort of a Reserve Bank that you might choose to make. We want a Reserve Bank of a particular type. Mind, don't you introduce anything about the ratio therein, because if you do, we shall not accept such a Bank at all. Again, don't say anything about a State Bank, because we sha'nt have it, we want a Reserve Bank of a special description and of a prescribed character. When you bring that to us, then, on the foundation of that Reserve Bank, we will put up the superstructure of the Constitution. But when that superstructure has been built upon it, mind you, you cannot be permitted thereafter to dig up the foundation and try to take any loose brick and substitute another. You will not be permitted to do that." That, no doubt, sounds a very logical position. But let us examine it closely.

I remember, many years ago in the Crystal Palace show one of the side attractions provided was what used to be described as a "mase". A certain part of the lawns had been set apart with beautiful hedging all round about six feet high and this hedging went in and out intersecting and crossing each other with open spaces left in between and footpaths all over within the hedging. People went in by paying so much, but once you go in you can never come out. You could see over the hedging your friends watching your plight from outside. You went round and round, backwards, forwards and sideways in order to get out, but could never do

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it until the manager came to your rescue and helped you out. Sir, this Bill is a "*politico-legislative maze*". We are asked by the patentee (the Secretary of State),—through his local agent, our Honourable friend, Sir George Schuster,—to step in; we are asked to walk into this legislative trap, but I warn you, once you go in, there would be no getting out, unless the patentee were to take pity on you owing to your self-imposed helplessness. That is the position into which we are about to be placed or rather place ourselves, and I want my Honourable friends all round to realise the situation. We are told that the life of this Bill will be twenty-five years, or as long as a generation would last. In addition to this, we are told that if, hereafter, we discover that there has been some flaw in the initial formation of this Bill, no modification, no alteration, no amendment, no repeal, no improvement of any kind or sort can be introduced, at our instance. We will hereafter, thanks to the proposed Adaptation clause, be at the mercy of the "Governor General at his discretion", unfettered by the advice of any other human being, we will be at the mercy of the Secretary of State, or that of the British Parliament. We are the Legislative body who are bringing this Bill into existence: we are creating it: according to all rules of legislation a body that can make laws can also unmake them, can improve them, can modify them; but, under the Adaptation clause, that power is going to be taken away from us for all practical purposes. Why? Because precious and valuable concessions and safeguards have been secured or intended to be secured by means of the present legislation, and no attempt hereafter, on the part of this House or any of our successors, will be tolerated to bring about any change effecting such safeguards, etc.

Sir, the question can be looked at from another point of view. Suppose a servant were to approach his master and say: "I have served you through thick and thin, through peace and war: I feel that I am eligible for some sort of a gift from you. May I ask you for a new coat?" And suppose the master were to reply: "By all means I will let you have a new coat, but will you go and buy the material and bring it to me?" Assuming that it still remains a gift—suppose the master were to insist that the material should be of a particular quality and of a particular length: I will ask the House to compare this with the Reserve Bank Bill and note the analogy. After we take the cloth of prescribed quality and length to the great master tailor (the Secretary of State), he cuts the piece—the latest English cut no doubt—sews it up and returns it back to us and says: "Here is your coat". This coat, Sir, is our new Constitution. Should we hereafter complain that the coat is not warm enough, the Secretary of State would say: "You yourself chose the material." Should we say after a year that we have outgrown and that the thing is much too tight, he would say: "You were responsible for the length." At every future step we will be reminded that we had sealed our own fate and that we have no right to complain that the coat (Constitution) is not warm enough or long enough or loose enough. This, Sir, is the situation that we have got to face. I submit that that is most sinful for the British Government to force us into such a position: we are told: "You cannot have any Constitution unless you first pass this measure." At the point of bayonet, we are being made to pass this Bill. Even if we pass this measure according to your wishes in the first instance, surely it is but just and fair that if, hereafter, we discover some flaw in its working, we should have the power to amend it and that such power should not be curtailed by

being made subject to the arbitrary discretion of the Governor General. If this is not conceded, it will show that there is something wrong in the British Government's design.

I will not detain the House beyond reiterating that, according to all rules of jurisprudence, if we are the body who bring into existence this law, it should be our right to amend it hereafter, if we find that a good case has been made out for it. But, as it is, we shall be precluded, practically precluded, from exercising any such privilege owing to certain insurmountable difficulties which are intended to be placed in our way.

Sir, my Honourable friend, Mr. Neogy, the Leader of my Party, touched upon another aspect of this question. He asked, why, instead of asking us to pass this measure, which we do not believe is in our best interests, the British people themselves do not pass it as part of the Constitution itself. They have got the power, they do not need the previous assent or consent of anybody, they can make it part and parcel of the Constitution itself. Sir, the reply to that, I think, is obvious. The British Government are making us play the part of political simpletons; by passing this Bill we are taking the odium upon our own shoulders, an odium which will prevent us, which will preclude us hereafter from objecting to anything embodied in this Bill. Once we are a party to this measure, conferring powers which will be converted into autocratic powers in the hands of one man, we shall have absolutely no justification hereafter for asserting that the measure is in any way unsuitable to the needs of our country. Sir, it is to place us in the wrong, and to take advantage of our dependent and helpless position, that this Bill has been entrusted to us, and I would beg of all my colleagues that they should realise their responsibility in this matter. If they at all pass this Bill, they should make it an absolute condition that these powers are not placed in the hands of any one individual, may he be the Governor General or even higher.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan): Sir, it would be well to consider the underlying point of this amendment moved by my friend, Mr. S. C. Mitra. The phrase "Governor General with the advice of the Finance Minister" means in ordinary parliamentary procedure that everything done under this power would be a matter which could be discussed in the Legislature and to which the Finance Minister would be responsible. In other words, whatever advice is given to the Governor General by the Finance Minister, he would stand or fall by it; it would be a matter which could be discussed here, and his action would come within the competence of this Legislature, in other words, it would be an action of a responsible Minister. By this phrase we seek to hold the power which is exercised by the Governor General in Council under various clauses of this Bill, which, we have been told, occurs in it no less than 92 times, as the action of the Minister who would be responsible to the Legislature and therein bring in an element of responsibility. The need for it is obvious. One would have thought at this time, when responsibility is being talked of on all sides, this aspect of the question would be conceded, but there is a story behind it, and I would be pardoned for drawing the attention of the House after reference has been made by previous speakers to it, and this is my justification for speaking on this amendment. Sir, the House will remember that in the White Paper proposals we have section 119 which lays down that any Act relating to currency or coinage or relating to the Reserve Bank cannot be altered except with the consent of the Governor

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General given at his discretion. I would read the very words leaving out the unimportant ones:

"The consent of the Governor General given at his discretion will be required to the introduction in the Federal Legislature of legislation which affects coinage and currency or the powers and duties of the Federal Reserve Bank in relation to the management of currency and exchange."

The important words which this House should notice are "the consent of the Governor General given at his discretion". If, then, the Governor General gives consent at his discretion, there is no means of getting at him, there is no means of discussing him or his doing anything at all. It would be an autocratic rule. I am fortified in that interpretation by what is contained in paragraph 20 of the White Paper proposals. That paragraph lays down:

"That the Governor General, in administering the department under his own direction and control and in exercising any discretion vested in him by the Constitution Act, will act in accordance with such directions, if any, not being directions inconsistent with anything in his instructions as may be given to him by a principal Secretary of State."

Now, Sir, that shows that the centre of gravity has shifted. One can understand the Governor General at his discretion giving us an autocratic decision, it may be sometimes this side, sometimes that side, but this provision tells us that the "Governor General at his discretion" would mean the command of the Secretary of State, because he has to follow the directions of the Secretary of State who is one of His Majesty's principal Secretaries of State. It does not mean only following any directions, it means obeying the commands. Now, let us push it a little further. Following the directions of the Secretary of State means watching the interests of the City of London and of the British people. (Hear, hear.) In plain phraseology, what does it mean? It means this, that once this Act is enacted, it cannot be altered unless the British Parliament and the Secretary of State are agreeable to it, and powers which are conferred on the Governor General in Council will in future be powers which can only be exercised by the Governor General subject to the orders of the Secretary of State. Now, Sir, that is a position, if I may say so, hardly consistent with the Constitution which we are envisaging or the Constitution we are expecting. So far as that is concerned, one might almost feel that we are like a constituent Assembly at this time. One of the essential things for bringing the Federation into existence is that we must pass this Reserve Bank Bill, and, by passing this Reserve Bank Bill, it immediately acquires the character of fixity, of unalterability, except by a Statute of the Imperial Parliament. It becomes, so to say, a part of the Constitution Act itself, and we cannot alter that Act any more than we can alter the Act of the Imperial Parliament. Therefore, so far as that is concerned, by enacting this measure we must feel from the juristic point of view, as if we were exercising one of those superior powers which ordinarily is not our lot. Because, once we pass it, we cannot alter it except with the leave of the Governor General given at his discretion. Now, Sir, if that is so, it becomes a very important matter for us to consider seriously whether we are to leave this matter to the Governor General and the Secretary of State between themselves or we are to leave these powers to the Governor General on the advice of his responsible Ministers. Sir, currency and exchange are important matters affecting the life of the people and the industrial and

financial interests of every citizen in this land, and it appears rather anomalous, it appears very strange that at this time of the day it is thought that that power should be taken away from the Indian Legislature. The House will notice, Sir, that this is in a way a retrograde measure. All the time we have enjoyed the power of legislating with regard to currency and banks, and so on, and it is a remnant of that power that we are at the present moment meeting to bring a Reserve Bank into existence, but, thereafter, if we want to do anything, we must go to the Governor General at his discretion and to the Secretary of State and obtain the assent of the Secretary of State before we can do anything in the matter. Now, Sir, that was a matter which was agitated by the Minority Report of the Select Committee. This is what they say at pages 19 and 22 of their Report. On page 19, Sardar Sant Singh, in his note, pointed out that the Secretary of State was taking the view that the Indian Legislature at some future time could not alter the Reserve Bank Act. The Reserve Bank Act would not be open to amendment by the Indian Legislature at some future time. On that the Finance Member was pleased to issue what is called an assurance, but which comes only to this that the Reserve Bank Act will become a part of the Constitution, and, like other provisions of the Constitution, it would be unalterable except with the consent of the Governor General given at his discretion, and that consent would mean the consent—under the orders of the Secretary of State. That Adaptation clause put in plain language means nothing more than what we have in the White Paper that the Governor General's consent at his discretion would mean subject to the orders of the Secretary of State. On that, we have it at page 20 of this Report and also page 22, several Members of the Select Committee felt entirely dissatisfied, and, if I may say so with great respect, the position is left where it was. The assurance given by the Honourable Member means nothing more than this that this Bill, once you have passed it, will be unalterable by you except with the consent of the Secretary of State, and the point made by the Select Committee remains where it was. If that is so, this House should ponder and think furiously on a matter of this kind. The position would then appear to be that so far as this subject is concerned, the question of the Reserve Bank with which the question of ratio and credit are intimately connected,—we are, after this legislation is passed, going to lose the power unless the Governor General and the Secretary of State are pleased to give it back to us, unless they allow us to bring any legislation on the subject, we will not have power to legislate. That is a matter as regards which we might just look into the future a little bit. As the scheme of the White Paper has it, we will have in the future Executive Government not only a Finance Minister like my Honourable friend over there, but we will also have a Financial Adviser. This question of Financial Adviser is also an important matter. On this subject we had some interesting questions put to the Secretary of State as to what status this Financial Adviser would occupy. If I may say so, he would be a kind of super-minister. He would be a person who would be in no way answerable to this Chamber; he would be a person whose acts you could in no way discuss here; he would be an adviser to the Governor General whose salary would not be voted by you and whose responsibility will be to the Governor General alone. He would be outside you, and, if I may say so, above you. On a point like this, naturally questions were put to the Secretary of State, and, with your leave, I venture to reproduce some interesting extracts which show that he would be another powerful personality over and above us in matters financial and relating to currency and credit. I am reading from page 328 of the Memorandum of the Secretary of State's evidence

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before the Joint Committee, Part I (11th to 28th July 1933). The Marquess of Zetland put the question:

"The question is with regard to the financial adviser. The first question I would like to ask is, what type of person is contemplated for filling the office of Financial Adviser? I presume that it will be a financial expert whose judgment on questions of high finance would be regarded generally as authoritative. Is that so?"—"Yes."

"Has the Secretary of State got in mind an official of any kind?"

That would be a sort of super-man!

"I certainly could not say I have any particular person in mind, but I agree with Lord Zetland, the Financial Adviser must be a person of considerable standing and considerable expert financial knowledge."

"In regard to his functions, I am not quite sure exactly what his functions are going to be. Will he have an office, and, if so, will his office be an integral part of the Finance Department of Government?"—"He must obviously have what staff and office accommodation he requires. It will not be a part of the Finance Department to this extent that the Financial Adviser will be responsible to the Governor General, and the cost of his staff, whatever it may be, will be a non-votable item. At the same time, I should hope that he would work in close relation with the Finance Minister and with the Finance Department."

"Yes, clearly if his advice to the Governor General is to be of any value, I presume he must be familiar with what is going on from day to day in the Finance Department of Government, must he not?"—"Certainly."

Mr. K. C. Neogy: He will be a super-spy!

Mr. Jagan Nath Aggarwal:

"But, as I understand it, his services are to be at the disposal, not only of the Governor General, but of the Minister?"—"Certainly."

"So that the position, as I picture it, is this, but I do not know whether I am absolutely accurate. I picture an official of high position with an office in the Finance Department of Government who will be kept familiar with all that is proceeding in the Finance Department of Government, who will be available to the Ministers if they wish to consult him upon any financial questions, and whose duty it will be, if he thinks that the Government are contemplating anything which will touch upon the special responsibility of the Governor General in matters of finance, at once to bring that matter to the Governor General's notice."

That, Sir, is the important function that he will exercise, a watchdog to see that nobody trenches upon the special responsibilities of the Governor General:

"Is that, broadly speaking, what his position will be?"—"Yes, broadly speaking, that is what his position would be."

Coming back to my point, I was putting it to the House that in the future Constitution—and, as we have been told, we are legislating not for the immediate present, but for the future—in the distant future, if our position is going to be that, if we are to have all the special responsibilities of the Governor General and the Financial Adviser who would be in this position of super-authority over the Ministers and over the Legislature and if we are going to have a Bill which is unalterable in any manner, then we are put in that unfortunate position that, after having passed this Bill and having conferred all conceivable powers in this shareholders' scheme, not on the shareholder, but on the Governor General in Council who would be subsequently Governor General at his

discretion,—I do not know then where we come in at all. I suppose we are meant for paying taxes and to come and discuss their allocation in an academic spirit, but so far as currency and exchange and credit and the Reserve Bank are concerned, we have said the final word when we have passed this measure. I submit that this is tying up of our hands, and that this is a position which we cannot contemplate with equanimity. It is much better that somebody else passed this measure, to suit us or to suit the Constitution; but if we are asked to pass this measure, certainly we would not like to confer these powers on outside authorities over whose actions we may not have the slightest power of control, not only control but even of discussion. Therefore, from one point of view this amendment comes in very handy indeed. The merit of this amendment, as I have pointed out, is that what is going to be according to the scheme which we can foresee, an absolute power in the hands of the Governor General, very probably to be controlled by outside agencies, would according to this amendment be a power to be exercised by the Governor General with the advice of his Minister whose actions will be discussable in this House and who would be one of us, the whole point of the amendment being that whatever is done on an important matter like this should be open to discussion in the House and that he should be answerable for it. If that is not acceptable, I do not see what is the underlying principle of all the constitutional advance that has been talked of during the last seven years or so. I, therefore, support with all the power at my command this amendment moved by Mr. Mitra. (Applause.)

Sir Cowasji Jehangir: Sir, the amendment moved by my Honourable friend may well be called Mitra's Adaptation Clause. There is a moral to be drawn from this amendment and the discussion that has taken place on this amendment up till now, a moral which I really and sincerely wish the authorities in England were on the opposite Benches to learn. The moral is that such amendments and such discussions as we have heard up till now are the result of an irresponsible Government. If there was a responsible Government on the opposite Benches, it would have been practically impossible for any sane Member of this House to have moved such an amendment and for men of the experience and standing of Honourable friends, who have just spoken, to have supported it or to have put forward arguments of the kind they have.

The Honourable Sir Brojendra Mitter: Do you support them?

Sir Cowasji Jehangir: You asked us to wait and see. I will ask you to wait and see. This question has been so often discussed at the Round Table Conferences—namely, the previous sanction of the Governor General at his discretion to amendments to the Act in the future, but there is one error into which some of us seem to have fallen and that is that we under this Bill are giving these powers to the Governor General. We are not doing it under this Bill. The powers that we complain of, which are to be given to the Governor General in the future, is not any of our work. It is the work or will be the work of the House of Commons and how are we or any of us responsible for perhaps what I may legitimately call this unconstitutional and exceptional provision. My friend over there said that by passing this Bill we shall be responsible for handing over all these powers to the Governor General. That is not correct. There is not a

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single clause in this Bill which gives these powers to the Governor General at his discretion.

Mr. B. E. Puri: Unless you safeguard your interest by means of the present amendment, you would be impliedly giving powers.

Sir Cowasji Jehangir: I will come to that. Therefore, I do desire to clear this issue that it is not we who are doing it and, as a matter of fact, there is no clause in this Bill under which we can discuss this question of the previous sanction of the Governor General which will be one of the issues raised in the House of Commons and which will be decided there but as I said yesterday, it is impossible for this side of the House to forget that this has been the decision of Government at the three Round Table Conferences and it is more than likely that it will be accepted by the Select Committee and the House of Commons. I gave this House to the best of my ability all the information that was available about the history of this question. We fought against it as strongly as we could, because we foresaw the difficulties that would arise in India and, much more than that, because we felt that such a provision was not necessary. Not only was it not necessary for the Viceroy or the Government, even to protect British interests, because the Viceroy at his discretion under any circumstances has the right to veto any Bill even after it has been passed by this Legislature and, in order to make our friends realise what the position was, we pointed out to the Secretary of State that this provision will react on the head of the Viceroy in the future and, even if he be a superman, the Secretary of State and the House of Commons would be placing him in a most awkward position and in practice it was possible that the Viceroy would not be able to exercise his powers at all and would have to rely upon his powers of veto. I do not desire to go any further into this question. I could give some further details and some further arguments that we did put up, but it will be waste of time.

Now, my Honourable friend, Mr. Mitra, believes this amendment will in some way go to meet our strong objections to what is to come in the Constitution Act in the future. He believes this amendment will in some way or another help us in the future to get over the difficulties that our future Finance Minister may meet with owing to this previous sanction, but I am at a loss to understand how this amendment is going to help us in the very least and I will put it to him and I will leave him to be the judge after I have finished as to how far this amendment is going to help us. He says, wherever there are the words "Governor General in Council", substitute the words "Governor General acting on the advice of his Finance Minister". Suppose we accept it whether it is in order or not, what will be the effect? The effect will be that until the reforms come into force, you will be depriving your Indian Members on the opposite Benches of any voice in connection with the Reserve Bank Act. I will only say that, as an Indian, it is my duty to have the fullest confidence in the Indian Members on the opposite side. We may disagree with them sometimes, but it is an honour to us that they should be there and I would be the last man to deprive them of an iota of power which they now possess and, therefore, this amendment merely goes to deprive the three Indian Members of Government

Mr. S. O. Mitra: This Act is not coming into force now.

Sir Cowasji Jehangir: I will come to that. We are depriving our three Honourable Indian Members and perhaps also the Home Member and Sir Frank Noyce of having any voice in the matter during the short period of time that must elapse between this Act coming into force and the new reforms coming into force. It may be one year, it may be a

4 P.M. year and a half, I do not know how long it is going to be. Now, after the reforms come into force, how are these words going to help us? They will be substituted by the Adaptation clause by the words "Governor General at his discretion". That is the point. It makes no difference what you put in the Bill just now. The House of Commons, by the Adaptation clause, will, for the words "Governor General in Council" in as many places as it chooses—it may be 96 or 84—substitute the words "Governor General at his discretion". Therefore, what are you gaining by this amendment? You are gaining one thing, and you have gained that, and that is the moral that is to be drawn from this discussion; and I do hope that the Honourable Members, if they have not learnt that moral already, will learn it now and will convey to the authorities in England this moral once again, that, if you continue to have this irresponsible government, you must be prepared to have such amendments and such discussions and such speeches as you have heard today. I for one, Mr. President, would have wished to have believed that it was impossible to hear such speeches, but although I was laughing, although I smiled, believe me, I might as well have wept, for, after all, we are a responsible Legislature, and when we come to think that we have been brought to such a pass as to have to move amendments of this kind in our attempts to get out of accepting a most objectionable provision. Sir, I tried my best to explain yesterday how it will be worked and what hopes we still may cherish and I may repeat again that, whatever the Constitution may be, you have to rely, and all your hopes must be founded, upon your future Indian Government, upon its honesty of purpose, upon its patriotism and, above all, upon every individual Member's ability to stand up for his own rights, the rights of his colleagues and the rights of this Honourable House. That is the bedrock of our hopes, that is the only anchor on which we have to rely; and if, with the help of Providence, we get such a Ministry, I for one would have no objection to the House of Commons adding another few dozen safeguards. As to this amendment itself as it stands, it is as futile as it will be for us to try, in this Bill, to reduce the 1s. 6d. ratio—just as futile; and, therefore, I would request my Honourable friend to withdraw his amendment for one simple reason and that is that the object which he seeks to achieve will never be achieved by this amendment or by any amendment moved in this House. If he desired to give my Honourable friends, Mr. Puri and Mr. Aggarwal, chances of expressing their opinions, he has had his opportunity, and I do hope that if the Honourable Members opposite have realised now, what possibly they may not have realised for the number of years they have sat opposite, the futility of continuing the present Constitution a day longer than is absolutely necessary, then I trust that this amendment and this debate have served their purpose. (Applause.)

Mr. Gāya Prasad Singh: Sir, the amendment under discussion crystallises into shape the feeling which has been aroused in the country as a result of the evidence of Sir Samuel Hoare, the Secretary of State for India, on this point. The question came up for consideration in the Joint

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Committee of both Houses of the Indian Legislature which submitted its report on the Bill and of which Committee I had also the honour of being a member. I raised the point as to whether it would be competent for any Member of the Federal Assembly, later on, to move any amendment to this Bill. The reply which I received was that under the present Constitution the procedure is what it is as regards the power of allowing or disallowing any amendment to an Act passed by this House; but, under the future Constitution, there will be an Adaptation clause which will have to be incorporated in the scheme of Constitutional Reforms, and, under that Adaptation clause, the "Governor General in Council" will mean in certain matters the "Governor General at his discretion". Sir, I was somewhat amused to hear my Honourable friend, Sir Cowasji Jehangir, paying very handsome compliments to the Indian Members who sat on the Viceroy's Executive Council. I quite agree with him. Sir, individually I have got the highest respect for them, but they being a part of the machinery which is at present working in this country, I venture to say that they are helpless. Sir, in this connection.

Sir Cowasji Jehangir: May I point out to my Honourable friend that the whole of the Honourable Benches opposite are mere agents. They are not the Government of India at all. Why pick out the Indian Members alone? There is no reason to pick out the Indian Members. Both the Indian and the European Members, under the present Constitution, are nothing more than pure agents of the Secretary of State. (Hear, hear.)

Mr. Gaya Prasad Singh: Sir, the feelings of suspicion have been aroused by reason of the statement of my friends, Sir Cowasji Jehangir, Diwan Bahadur Mudaliar and others, in the London Committee's Report that 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, what does this mean if it does not mean an absolute distrust of the Ministry which will take charge of the Government in later years? I am ashamed to find that Honourable Members, who have had the benefit of a pleasure trip to England, should have appended their signatures to a document in which they have themselves admitted in so many words that they have no faith in the Indian Ministry which is supposed to come into power a few years later. Sir, with regard to that point, I may just make one little reference. Reading the report of the London Committee, I find that the name of the Deputy Chairman of this Committee has been given. I should like to know from my Honourable friend, the Government Member or any Member who may have the information at his disposal as to who was the Chairman of this London Committee. (*Voices:* "The Secretary of State.") Sir, the Secretary of State was the Chairman of the Committee, but he has not appended his signature to the Report which is placed before us. I noted the other day that my friend, the Honourable Diwan Bahadur Ramaswami Mudaliar, somewhat harshly and unnecessarily castigated the members of the Minority Report who had ventured to put in some suggestions which were not accepted by the Government Members in the Select Committee of this Bill. There is a saying in Bengali which, when translated, means that the heat of the sun is bearable, but not the heat of the sands which are heated by the sun. My Honourable friend, the Finance Member, was

generous enough to acknowledge with gratitude the assistance which the non-official Members of the Joint Select Committee were able to give in the work of the Committee. Our thanks are due to him. I do not claim any large part in that praise, because I am conscious of the very modest contribution which I was able to make in those deliberations. But my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, for some mysterious reason was unsparing in his lashes with regard to certain recommendations of the minority in the Joint Select Committee which were unacceptable to the Honourable the Finance Member and the Government. Now, Sir, I quite realise that this amendment, which my Honourable friend seeks to incorporate, is not a very effective remedy for the ill which is sought to be cured, but, as I have already pointed out, it crystallizes the feeling of suspicion which lies in our mind with regard to the designs of the Secretary of State or of the British Government as regards the fate of any amending Bill which might be brought forward later on for amending certain provisions of this Bill after it is passed into law. For instance, clauses 40 and 41 seek to uphold the ratio at a level which is very harmful to the country as a whole. Now, if, under the new Constitution, the Members of the Federal Legislature are to be precluded from introducing any amendment, it will be impossible for us to seek with certainty as to what will be the best means of accomplishing the object of the Reserve Bank in the new order of things in the interest of the country. On reading the report of the Secretary of State's evidence at the Joint Parliamentary Committee in London, some of us addressed a letter to the Honourable the Finance Member who was the Chairman of our Committee. The evidence of the Secretary of State on this point before the Joint Parliamentary Committee is as follows:

"We are asking the Indian Legislature by its own legislation to carry out arrangements that we say are essential for bringing the Constitution into being. Obviously if that arrangement is to take effect it cannot be possible for the Indian Legislature at some future time to alter the conditions without which the Constitution would not have come into operation without the previous assent."

As the House knows, the Honourable the Finance Member as the Chairman issued a communiqué on the 31st October, 1933. I am not going to tire the patience of the House by reading out the whole of this communiqué, but I will read out just a few lines from it:

"The Constitution Act will have to contain an Adaptation clause laying down how, when the Constitutional changes at the Centre take place, the powers to be exercised by the Governor General in Council under the Reserve Bank Act will have to be exercised in the new Constitution. If the British Government's proposals for the Constitution are accepted by the Joint Select Committee and if the Constitution Act in the Adaptation clause were to declare that certain powers exercisable by the Governor General in Council under the Reserve Bank Act were to be exercised in future by the Governor General at his discretion, and if, in future, it were desired by agreement that any particular power or powers thus provided for should be exercised by the Governor General on the advice of his Ministers and not at his discretion, then legislation giving effect to this would be an amendment of the Constitution Act and not of the Reserve Bank Act and could be undertaken by no other authority than the British Parliament unless the Constitution Act itself provided for this contingency. The question is now being considered whether such a provision can be included in the Constitution Act, and that is the point of doubt to which the Secretary of State was referring in his replies."

This point of doubt has not up to the moment been clear, so far as I know, and it is because of that that my friend, Mr. Mitra, has tabled this amendment. We want to know definitely from the Honourable the

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Finance Member whether, under the new Constitution, the Governor General in Council will mean the Governor General at his discretion or the Governor General acting under the advice of his Ministers, so far as this legislation is concerned. Under these circumstances, it is quite necessary for this House to be assured on this point before giving a sort of *carte blanche* to the Government to incorporate whatever meaning they like to incorporate at some future date in the new Constitution. With these few words, I support the amendment of my friend, Mr. Mitra.

Diwan Bahadur A. Ramaswami Mudaliar: Mr. President, I do not wish to import unnecessary heat into a discussion of this very simple amendment. I think my Honourable friend, Mr. Gaya Prasad Singh, will realise on a little mature reflection that it is easy to make aspersions against any person and that it may not be the right thing after all to make such aspersions. One may be guilty of much more injustice and be unfair even more to one's own self than to the person he is attacking and whose motives and honesty of purpose he may be criticising. I do not stand in need of any defence of myself. But I would like to tell my friend something of what happened at these London meetings. I am not going into the details of this question. Whether it was a free trip or for the satisfaction of having a sea voyage and enjoying the salubrious climate, some Honourable Members of this House did go. It may be also possible that many other Honourable Members would have been quite willing to go if they had the chance. Now, Sir, what happens in a Committee? My Honourable friend has been a member of a Committee. It is not always possible for us to carry out our own points of view. It may not be possible, however strongly you may feel on the question, to carry the Committee with you. You may have to differ. There are two courses open to you. You may put your dissenting note, you may publish to the world that you have differed on a particular point, that your rectitude of purpose has been so great and so well-defined that for no consideration whatever can you have a compromise. But you must also realise that there is something on the other side of the case and that, while you are not converted, you may still not be in a position to go to the furthest extreme of sticking to your own position and having it published. My Honourable friend flourished in my face, I am thankful to Providence that I am so far removed from him physically, he flourished in my face the report of the Committee where the recommendation was made that the nomination should be by the Governor General at his discretion of a certain number of Directors. I do not want to say what attitude I took up on that question, whether I was in favour of that, or whether I was in favour of the Federal Ministry nominating; but I will certainly put forward two points of view that were raised and I think I am fair in doing that. One section said and very strongly that it was an absurdity to give this power to the Governor General at his discretion, that the Federal Ministry should nominate these four members, that there were numerous precedents for such a course, that neither the phrase 'political influence' nor any other theory with reference to the Reserve Bank constitution would be affected by that phrase and that, therefore, this nomination should be in the hands of the Federal Ministry of the future and the Governor General in Council of the present. Another section equally vehemently, equally with stentorian voice, equally with a determination that was unconquerable, said:

"I do not trust any man who is an Indian whatsoever office he may hold in my own country. I do not trust any Indian member of this Government. I do not trust

any Indian Minister, whosoever he may be, he may be a State Member representing a Ministry in the future Federal Ministry, he may be a Member of British India, he may be a Hindu, he may be a Muslim, he may be a Christian, but so long as he is an Indian, I do not trust him in this matter. This power is a vital power."

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): Who is that Member? Is he Mr. Yamin Khan?

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): If my friend wants what I said, I will tell him.

Diwan Bahadur A. Ramaswami Mudaliar: That Member further said:

"This power is a power which concerns the various interests and the various communities, and I am not prepared to give this power or to place this power in the hands of any single Indian howsoever high he may be. I have no trust with reference to these matters in the present Indian Members of Government or any Member of Government, Indian or European for that matter."

To be fair to the point of view of those who put forward this view, with so much vehemence, they said:

"We have no trust in any member of the Government today whether, European or Indian."

I also remember a remark that was made:

"Not even in Sir George Schuster?"

The reply was:

"No, not even in Sir George Schuster"

and Sir George Schuster was sitting in that London Committee at the time.

Mr. President (The Honourable Sir Shanmukham Chetty): Order, order. The Chair thinks that Committee work of any kind, whether it is in India or in England, will become an absolute impossibility if everything that was said in the Committee, in the course of argument and consideration were to be dragged out on the floor of the House. For the sake of carrying on the public administration on healthy lines, the Chair would very strongly deprecate the attempt on the part of Honourable Members to give elaborate explanations of details that took place in a Committee, especially details relating to discussions in camera. Honourable Members who have been signatories to a Committee's report must justify their signatures on argument and not on the discussion that took place in the Committee and the Chair hopes that the House will remember this in future discussions because we have had too much of this practice of divulging the proceedings of Committees.

Diwan Bahadur A. Ramaswami Mudaliar: I shall not pursue the matter further. The only reason why those who were against giving this power to the Governor General at his discretion was that they were influenced by the sort of arguments that I have been repeating now which were put forward. Another section thought that the lesser of the two evils was to give this power of nomination to the Governor General at his discretion. Now, Sir, I am in this difficult position. I am a signatory to this report. There are certain powers which are here proposed to

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be given to the Governor General at his discretion. There are certain powers which are proposed to be given to the Governor General in Council. I do not know what the Adaptation clause, which is proposed by the Secretary of State is going to be. If I were assured by the Finance Member that those agreements or promises, which are embodied in the London Committee report, are going to be honoured and that nothing beyond that will be done by the Adaptation clause, I should consider myself bound to oppose my friend, Mr. Mitra's amendment or not. It may be asked: "You were a party to this report, you have put your signature, you have there recognised that there are two classes of powers: these powers which are to be exercised by the Governor General in Council and those powers which can be exercised by the Governor General at his discretion". To the extent that I have been a party to these agreements in whatsoever circumstances, whether I was right or whether I was wrong, whether I was compelled by the sort of circumstances that I narrated now or whether I was compelled to agree on the merits of the question, I am willing to bind myself to that and to honour that agreement. But, before my Honourable friend, the Finance Member, could ask me to do so, I am only anticipating a little. I think it is fair that he should tell us whether these agreements are going to be incorporated in the Amendment Act. Is there any desire to go beyond this? Can the Honourable the Finance Member assure the House that the Secretary of State means to honour this amendment. for, remember, Sir, the Secretary of State's deliberations on the London Committee report are not yet known to us. We know to what extent in this House and in the Select Committee they have approved or disapproved of these recommendations, what amendments have been made and how far they are prepared to go. But we do not know how far the Adaptation clause would go and it has not been made clear from the evidence of the Secretary of State before the Joint Parliamentary Committee. He has not gone into the details with reference to the amendments or the Adaptation clause that he proposes to introduce in Parliament and has not indicated how far the London agreements on vital questions have been accepted or not. Therefore, I am in the difficult position of not being able to say at present whether I could vote against this amendment.

There is another aspect which I should like to present to the House and which has already been dealt with by my Honourable friend, the Leader of our Party, Sir Cowasji Jehangir. It is perfectly true and Sir Cowasji Jehangir was stating the elementary fact that whatsoever device this House tries to substitute, one phrase for another, the Adaptation clause, which is going to be superimposed, can do its work. Therefore you cannot wriggle out of that position. At the same time, I think it is but fair for us to say that so long as we do not know what sort of Adaptation clause is going to be introduced, so long as we have no idea as some Members think—they are wrong in their assumption—that in the 92 places where the phrase "Governor General in Council" appears, the phrase "Governor General at his discretion" will be substituted,—but, we are not in a position to say so definitely, so long as we have not that information, I think this House will be stultifying itself, if it does not express its opinion, however futile it may be that it feels that in most of these matters, it should really be the Governor General on the advice of the Ministry. If we were to go as was done at the London Committee into those matters and if the Honourable the Finance Member can say, "these

are the half a dozen cases in which the Governor General at his discretion will interfere and these are the 98 cases in which the Governor General in Council will mean, the Federal Ministry or the future representative of the Ministers", I, for one, am perfectly willing to consider that on its merits and say if that is all the extent of the Adaptation clause and its interference or super-imposition on this Reserve Bank Bill, let us for the sake of compromise, for the sake of goodwill, for the sake of good feeling, help the Secretary of State who has got a very difficult task before Parliament and also satisfy ourselves that no more infringement of our power is meant to be made in this, as contemplated by these definite provisions. If my Honourable friend even now at this late stage—he was not in a position to do so at the Select Committee—even now at this late stage if he were in a position to get up and say, the Governor General at his discretion will be a phrase which will be substituted only in such and such clauses of this Bill, I, for one, would request my Honourable friend, Mr. Mitra, to withdraw his amendment. In the absence of any such assurance, notwithstanding the fact that I have been a signatory to this London Committee Report or, perhaps, because of it, and, because, I want to bring out more clearly and more emphatically the agreements which have been arrived at and the necessity for accepting that agreement and not going beyond it, I have no hesitation, in fact I have no option but to support the amendment.

Mr. Bhuput Sing: Sir, I also support the amendment of my Honourable friend, Mr. Mitra. Sir, I admit that we have heard enough on this point when the motion for consideration of the Bill was discussed for the last four days. I am glad that my friend, Diwan Bahadur Mudaliar, admitted the gravity of the danger in giving such an absolute and autocratic power to the Governor General who will in future be nothing but a puppet in the hands of the Great Moghal on the Whitehall Gadi. On the other hand, I appreciated the helpless position, as explained by Sir Cowasji, the Deputy Leader of the Independent Party and the Leader of the Opposition at the time, of those nominated Indians at the successive Round Table Conferences. It appeared from my Honourable friend's speech that the Indians protested against this power of the Governor General at every stage, but they were forced to accept this humiliating position at the bidding of the Whitehall despot and his associates from the City of London. Yesterday I heard Sir Cowasji informing us that though the Governor General may be vested with this power, yet the use of such powers much depends on the strength that may be shown by the Finance Minister backed by the Indian Legislature. He thought that the Governor General in such cases will not be able to use such powers, being afraid of a deadlock. He talked, as far as I remember, of the resignation of Ministers which he hoped will have a deterrent effect. But my misgivings are increased when I think of the experiences we have gained by now in the several provinces where Ministers have resigned owing to differences of opinion between them and the Governor. But what effect did it produce? None whatsoever. In the absence of joint responsibility of the Ministers, such individual resignations will have no effect in the future as it had none in the past. Further, he told us about the self-respect of such Ministers, which demands from them a resignation if they are compelled by the Governor General to have recourse to a certain policy against their conscience. Sir, if that is expected of the

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Ministers, then, may I ask my friend, how many times these Round Tablers resigned when they were forced to accept the vesting of autocratic powers to the Governor General as far as this Bill is concerned and where was their self-respect about which my friend was speaking yesterday? As far as we can visualise, the responsibility that may be vested in the Legislature under the new Constitution will be more or less in the form of a dyarchy without giving the Cabinet any power of joint responsibility; and, that being so, I for one cannot see how the resignation of individual Finance Ministers can have any effect in curbing and checking the use of absolute powers by the Governor General. It is, I think, nothing but an Utopian ideal that my friend, Sir Cowasji, is dreaming about. I thought that Mahatma Gandhi and men of his type are the only idealists, but I am surprised to find that hard, matter of fact businessmen of the type of Sir Cowasji can also indulge in idealism.

Then, Sir, I listened to the Honourable the Finance Member's speech yesterday very carefully in the belief that probably he will enlighten this House on the point of the powers of the Governor General at the bidding of the Secretary of State and the British Cabinet or, in other words, at the bidding of the political party in power in the British Parliament. But, to my surprise, I heard him say, as far as I remember, as follows:

"It is true that Honourable Members may regard the Governor General of the future as a political individual and he will have to listen to what the Secretary of State asks him to do. But that is an entirely different kind of political influence from that which is the essential purpose of this measure to guard against."

Sir, I cannot understand for a moment why the political influence of the British Parliament is not to be guarded, but only the political influence of the Indian Legislature is to be guarded. It is nothing but a superiority complex of the Britishers that like the kings of old the British Parliament can do no wrong. The Finance Member tried to explain in some inexplicable manner that the political parties in the British Cabinet or Parliament, be they Socialists, Conservatives or the Churchill Group, are not political parties, but the parties in the Indian Legislatures or outside, like the Congressites, are all political parties from whom the Bank is to be guarded. We on this side of the House can never agree to allow only the Churchillian Group to have a voice in the Bank through the Governor General and not to allow the Jawaharlal Group the same amount of influence through the Indian Legislature. I think the interpretation of the words "political influence" is a very novel one and should be broadcasted throughout the world for others to learn or enjoy as the case may be. Though I cannot enter into the mind of the Honourable the Finance Member or the Whitehall despot, yet, I think, I will not be far from the truth when I say that the only political influence the Government are afraid of is that of the extreme wing of the Congress with their cult of absolute independence. Sir, if the Government are afraid of the extremist Indian political influence, I must admit that against that we Indians have got as much apprehensions about the political influence of the Churchillian Group with their cult of subjection of India at the point of the bayonet for the advantage of the Britishers. So long as the prospect of that influence is not withdrawn, we on this side of the House must press that the prospect of Indian political influence through the Indian Minister must be retained. The only way the political influence of both sides may be removed is by withdrawing all

powers of the Governor General to intervene and to provide a clause in the Bill by which the power of election, control and dismissal of the Central Board of Directors should be vested in the shareholders, unhampered and un fettered by the Governor General on the one hand, and the Finance Member and the Indian Legislature on the other. All initiation of amendments of the present Act must also be vested in such an independent Central Board which may be considered to be free from all political influences. So long as that is not provided for in the Bill, we must, in duty bound, press for the amendment moved by my Honourable friend, Mr. Mitra.

Mr. S. C. Sen (Bengal National Chamber of Commerce: Indian Commerce): Sir, we have been hearing about this Bill for the last four days and it is not necessary for me to dilate on the various points which have been discussed in this House *ad nauseam*. We have also heard about the Secretary of State's views regarding this Bill and his idea of having an Adaptation clause in the Constitution Act when it comes through. I do not know whether it is a bluff or a threat or whether he seriously wants to introduce such a clause so far as this Reserve Bank Bill is concerned. So far as this particular Bill is concerned, we all know that it is and ought to be the intention of every party concerned, including the Secretary of State, that it should be above any political influence; and I must say that that expression must mean political influence either in this House or of the Secretary of State. That being the case, the threat of this Adaptation clause has put us in a rather difficult position. The amendment of Mr. Mitra, therefore, wants to avoid that position and, for that purpose, he has moved this. The question whether this amendment can be moved in this House or not has been ruled by you as in order, and I do not think I need say, if I may say so, that I fully endorse your views. It does not affect nor attempt to affect or to amend the Government of India Act. The Government of India Act is an Act of the Imperial Parliament and we have no authority, no power and no jurisdiction to affect it or to amend it. This is an important Bill of this Legislature and we have every right to introduce into this Bill any word which may have occurred in some other Statute or some other Bill. The words "Governor General in Council", as used in this Bill, are unfortunate and it has, therefore, become necessary to put in an amending clause about its meaning. If we had simply said that the powers which under the Bill are to be conferred on the Governor General in Council are to be exercised by the Finance Minister for the time being, I do not think the Law Member could have made any objection to that. Merely because we have used those words, they cannot amount to mean the same thing as the words in the Government of India Act.

The Honourable Sir Brojendra Mitter: Are we discussing the point of order again?

Mr. S. C. Sen: No: I am not. I have accepted the ruling on the point. This is not a point of order at all: the Law Member perhaps wants to scare me. Under these circumstances, I think the arguments which have been adduced by the other side are not worth considering. I fully endorse the principle underlying this amendment as explained by Mr. Mitra. It is to prevent that threat taking place which the Secretary of State in

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his evidence before the Select Committee announced he would do by putting an Adaptation clause in the Constitution Act. If this amendment is made and if this is carried out, I should think that the Secretary of State, although he is Sir Samuel Hoare, a *zubberdust* and considers himself to occupy the position of the great Mughal, although he is like that, he will think twice before making his Adaptation clause apply to this Reserve Bank Bill, and, for these reasons, I fully and whole-heartedly endorse this amendment.

Mr. President (The Honourable Sir Shanmukham Chetty): This discussion will be resumed tomorrow morning: but before I adjourn the House, there is one matter about which a requisition has been sent in about which I would like to consult the House. I would ask the division bell to be rung so that every Honourable Member may have an opportunity of being present.

(After the division bell was rung.)

I have received a requisition signed by 18 Muslim Honourable Members of this House to this effect:

"We, the undersigned Muslim Members of the Legislative Assembly, beg to state that as our important religious festival, *Shab-i-Barat*, falls on Monday, the 4th December, 1933, we will be unable to be present in the Assembly on that day if the Assembly sits on the 4th December. We, therefore, request that you will please direct that no meeting of the Assembly is held on that date."

As soon as my attention was drawn to this, I immediately caused inquiries to be made and I was handed in this opinion by one of the esteemed Honourable Members of this House:

"*Shab-i-Barat*, that is, the 15th day of *Shahaban*, begins after sunset on Saturday and lasts till sunset on Sunday."

After receiving this opinion, I caused inquiries to be made in the office of the Chief Commissioner for Delhi who generally gazettes such holidays, and the information given to us was that the festival falls on Sunday and not on Monday. To be again reinforced, I asked my office to find out from some leading Muslim gentleman in Delhi about this, and Khwaja Hasan Nizami was consulted, and the Khwaja Sahib said that, from the point of view of religion, it was not essential that Monday should be a holiday. Now, in the light of all these facts, I would like to know from Muslim Members of this House whether they would be unable to attend a sitting on Monday next. If there is a general strong desire on the part of one community like that, I would direct that the House should not sit on Monday. I would, therefore, ask those Muslim Members, who think that they would be unable to be present at the House on Monday on account of this festival, to rise in their seats.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, before you ask this, I may at least explain my position: when I signed that paper which was put before me I was under the impression that the festival falls on Monday and not on Sunday, because it depends on the lunar counting; it has been ascertained since then and I was told that *Shab-i-Barat* falls on Sunday and not on Monday: therefore, speaking for myself, as I am responsible for myself alone, I may say that I have no objection to attending on Monday.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa; Muhammadan Rural): Sir, for many reasons which need not be explained I want a holiday on Monday. There is no doubt, Sir, that several Members will be unable to attend the meeting of the Assembly on Monday.

Mr. Abdul Matin Chaudhury (Assam: Muhammadan): I think, Sir, there ought to be a holiday on Monday on account of *Shab-i-Barat* out of regard for the feelings of Muslim Members.

Mr. President (The Honourable Sir Shanmukham Chetty): Quite so: it is because I got a requisition signed by so many Muslim Members that I wanted to ascertain the feeling: I would ask Honourable Members, who think they would not be able to be present on Monday on account of this festival, to rise in their seats. I am not asking those Honourable Members who merely want a holiday to stand up: I am asking those Muslim Members who would not be able to attend a sitting of the House on Monday on account of *Shab-i-Barat* to stand in their places.

(Eleven Muslim Members rose in their places.)

Eleven Honourable Members have stood up. I must say that, so far as I am concerned, if it was clearly established that the festival falls on Monday, I would not have had any hesitation in declaring that the House should not sit on that day: but in any case there seems to be a difference of opinion and I do not want to take upon myself the responsibility of deciding whether the festival falls on that day. Since I find that as many as 11 Members belonging to a particular community have got up in their seats to say that they would be unable to attend a meeting on Monday on account of the festival, I would direct that the House should not sit on Monday. I shall make an announcement very shortly as to the rules which I propose to follow in future with regard to directing that the House should not sit on a particular day by reason of one communal festival or another,—I will make an announcement on that point shortly.

It was also put to me whether we would sit tomorrow afternoon. I had intended that if we were sitting for all the days next week, we would not be sitting tomorrow afternoon, but since I have now directed that the House will not sit on Monday, the House will sit for the whole of tomorrow.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 2nd December, 1933.