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THE LEGISLATIVE ASSEMBLY DEBATES

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CONTENTS.

VOLUME III.—14th March to 28th March, 1939.

	PAGES.		PAGES.
TUESDAY, 14TH MARCH, 1939—		THURSDAY, 16TH MARCH, 1939—	
Starred Questions and Answers	2003—23	Member Sworn	2151
Message from the Council of State	2023	Starred Questions and Answers	2151—82
The General Budget—List of Demands—		Unstarred Questions and Answers	2182—83
Demand No. 10—Indian Posts and Telegraphs Department (including Working Expenses)—	2024—46	Election of Members to the Standing Committee on Emigration	2184
Departure from the Practice of using Urdu script in Postal Forms	2024—29		
Carrying on a one-sided Propaganda and withholding Telegrams sent by the Rival Party	2032—46	The General Budget—List of Demands—	
Demand No. 19—Commerce Department	2048—50	Demand No. 17—Department of Education, Health and Lands—	2184—2211
Conditions to be imposed on subsidised or protected Industries in India	2048—50	Indians Overseas	2184—2211
Demand No. 12—Executive Council	2050—73	Demand No. 19—Commerce Department—	2211—26
Constitution and terms of reference of the Sandhurst Committee appointed against the Resolution of the Legislative Assembly	2050—73	Failure of the Government to protect the Coconut Industry	2211—26
WEDNESDAY, 15TH MARCH, 1939—		Demand No. 15—Home Department—	2226—30
Starred Questions and Answers	2075—2105.	State Prisoners detained without trial	2226—30
Postponed Question and Answer	2105	Demand No. 1—Customs	2230
The General Budget—List of Demands—		Demand No. 2—Central Excise Duties	2231
Demand No. 12—Executive Council	2105—49.	Demand No. 3—Taxes on Income including Corporation Tax	2231
Government's Defence Policy and Administration	2105—49	Demand No. 4—Salt	2231
Demand No. 17—Department of Education, Health and Lands	2149	Demand No. 5—Opium	2231
Indians Overseas	2149	Demand No. 6—Provincial Excise	2231
		Demand No. 7—Stamps	2231
		Demand No. 8—Forest	2231
		Demand No. 9—Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works	2232
		Demand No. 10—Indian Posts and Telegraphs Department (including Working Expenses)	2232

THURSDAY, 16TH MARCH,
1939—*contd.*

The General Budget—List of
Demands—*contd.*

Demand No. 11—Interest on Debt and other Obligations and Reduction or Avoidance of Debt	2232
Demand No. 12—Executive Council	2232
Demand No. 13—Council of State	2232
Demand No. 14—Legislative Assembly and Legislative Assembly Department	2232
Demand No. 15—Home Department	2233
Demand No. 16—Legislative Department	2233
Demand No. 17—Department of Education, Health and Lands	2233
Demand No. 18—Finance Department	2233
Demand No. 19—Commerce Department	2233
Demand No. 20—Department of Labour	2233
Demand No. 21—Department of Communications	2233
Demand No. 22—Central Board of Revenue	2234
Demand No. 23—India Office and High Commissioner's Establishment Charges	2234
Demand No. 24—Payments to other Governments, Departments, etc., on account of Services rendered	2234
Demand No. 25—Audit	2234
Demand No. 26—Administration of Justice	2234
Demand No. 27—Police	2234
Demand No. 28—Ports and Pilchage	2234
Demand No. 29—Lighthouses and Lightships	2235
Demand No. 30—Survey of India	2235
Demand No. 31—Meteorology	2235
Demand No. 32—Geological Survey	2235
Demand No. 33—Botanical Survey	2235

PAGES 2232-2235

THURSDAY, 16TH MARCH,
1939—*contd.*

The General Budget—List
of Demands—*contd.*

Demand No. 34—Zoological Survey	2235
Demand No. 35—Archaeology	2235
Demand No. 36—Mines	2236
Demand No. 37—Other Scientific Departments	2236
Demand No. 38—Education	2236
Demand No. 39—Medical Services	2236
Demand No. 40—Public Health	2236
Demand No. 41—Agriculture	2236
Demand No. 42—Imperial Council of Agricultural Research	2236
Demand No. 43—Scheme for the Improvement of Agricultural Marketing in India	2237
Demand No. 44—Imperial Institute of Sugar Technology	2237
Demand No. 45—Civil Veterinary Services	2237
Demand No. 46—Industries	2237
Demand No. 47—Aviation	2237
Demand No. 48—Capital Outlay on Civil Aviation charged to Revenue	2237
Demand No. 49—Broadcasting	2237
Demand No. 50—Capital Outlay on Broadcasting	2238
Demand No. 51—Indian Stores Department	2238
Demand No. 52—Commercial Intelligence and Statistics	2238
Demand No. 53—Census	2238
Demand No. 54—Emigration— Internal	2238
Demand No. 55—Emigration— External	2238
Demand No. 56—Joint Stock Companies	2238
Demand No. 57—Miscellaneous Departments	2239
Demand No. 58—Currency	2239

PAGES

THURSDAY, 16TH MARCH, 1939—*concl'd.*

The General Budget—List of Demands—*concl'd.*

Demand No. 59—Mint	2239
Demand No. 60—Civil Works	2239
Demand No. 61—Central Road Fund	2239
Demand No. 62—Superannuation Allowances and Pensions	2239
Demand No. 63—Stationery and Printing	2239
Demand No. 64—Miscellaneous	2240
Demand No. 65—Grants-in-aid to Provincial Governments	2240
Demand No. 66—Miscellaneous Adjustments between the Central and Provincial Governments	2240
Demand No. 67—Expenditure on Retrenched Personnel charged to Revenue	2240
Demand No. 68—Delhi	2240
Demand No. 69—Ajmer-Merwara	2240
Demand No. 70—Panth Piploda	2241
Demand No. 71—Andamans and Nicobar Islands	2241
Demand No. 72—Indian Posts and Telegraphs	2241
Demand No. 73—Indian Posts and Telegraphs—Stores Suspense (not charged to Revenue)	2241
Demand No. 74—Indian Posts and Telegraphs—Capital Outlay on Telephone Projects (not charged to Revenue)	2241
Demand No. 75—Capital Outlay on Vizagapatam Harbour	2241
Demand No. 76—Delhi Capital Outlay	2242
Demand No. 77—Commuted Value of Pensions	2242
Demand No. 78—Interest-free Advances	2242
Demand No. 79—Loans and Advances bearing Interest	2242

PAGES.

FRIDAY, 17TH MARCH, 1939—

Starred Questions and Answers	2243—64
Postponed Question and Answer	2264—65
Unstarred Question and Answer	2266
Election of Members to the Standing Committee for the Department of Commerce	2266
Election of Members to serve on the Standing Committee for Roads	2266
Election of the Standing Finance Committee for Railways	2267
Election of the Central Advisory Council for Railways	2267
The Indian Finance Bill—Discussion on the motion to consider not concluded	2268—2312.

SATURDAY, 18TH MARCH, 1939—

Member Sworn	2313
Starred Questions and Answers	2313—36
Unstarred Questions and Answers	2336—37
Motion for Adjournment re Ejectment and Prosecution of a First Class Railway Passenger for wearing a Dhoti—Ruled out of order	2337—38
Election of Members to the Public Accounts Committee	2338
The Indian Finance Bill—Discussion on the motion to consider not concluded	2338—78

MONDAY, 20TH MARCH, 1939—

Member Sworn	2379
Starred Questions and Answers	2379—2408.
Unstarred Questions and Answers	2408—15
The Registration of Foreigners Bill—Presentation of the Report of the Select Committee	2415

	PAGES.		PAGES.
MONDAY, 20TH MARCH, 1939—contd.		THURSDAY, 23RD MARCH, 1939—contd.	
The Indian Finance Bill— Discussion on the motion to consider not concluded . . .	2415—58	Election of Members to the Standing Committee for Roads . . .	2634
TUESDAY, 21ST MARCH, 1939—		Election of Members to the Standing Finance Com- mittee for Railways . . .	2634—35
Starred Questions and Answers . . .	2459—78	Message from the Council of State . . .	2635
Postponed Question and Answer . . .	2478—79	The Indian Finance Bill— Discussion on the consider- ation of clauses not con- cluded . . .	2635—50, 2651—79.
The Indian Finance Bill— Motion to consider adopted . . .	2479— 2530.	The Criminal Law Amendment Bill—Presentation of the Report of the Select Com- mittee . . .	2650
WEDNESDAY, 22ND MARCH, 1939—		FRIDAY, 24TH MARCH, 1939—	
Starred Questions and Answers . . .	2531—52	Starred Questions and Answers . . .	2681—99
Postponed Questions and Answers . . .	2552—53	Bill passed by the Council of State . . .	2699
Motion for Adjournment <i>re</i> Government's refusal to give an opportunity to the Assembly to express its Opinion on the proposed Bill to amend the Govern- ment of India Act, 1935— Disallowed by the Governor General . . .	2553— 2586.	The Indian Finance Bill—Dis- cussion on the consideration of clauses concluded . . .	2699— 2749.
Election of Members to the Standing Committee on Pilgrimage to the Hedjaz . . .	2554	SATURDAY, 25TH MARCH, 1939—	
The Indian Finance Bill— Discussion on the considera- tion of clauses not conclud- ed . . .	2554—85, 2586—99.	Starred Questions and Ans- wers . . .	2751—62
THURSDAY, 23RD MARCH, 1939—		Message from His Excellency the Viceroy and Governor General . . .	2763
Starred Questions and Answers . . .	2601—29	The Indian Finance Bill— Recommended amendment to clause 2 negatived . . .	2763—71
Statements laid on the Table . . .	2629—32	Demands for Supplementary Grants in respect of Rail- ways . . .	2771— 2807.
Motion for Adjournment <i>re</i> — Alleged criminal assault on a respectable Indian Lady by British Soldiers at the Ferozepore Cantonment— Disallowed . . .	2632	Demands for Supplementary Grants . . .	2807—16
Reported appointment of Mr. Bird as the Special Income-tax Commission- er—Disallowed . . .	2633—34	MONDAY, 27TH MARCH, 1939—	
		Members Sworn . . .	2817
		Starred Questions and Answers . . .	2817—24
		Statements laid on the Table . . .	2835
		Motion <i>re</i> the Indo-British Trade Agreement—Discus- sion not concluded . . .	2836—33

	PAGES.		PAGES.
TUESDAY, 28TH MARCH, 1939--		TUESDAY, 28TH MARCH, 1939— <i>contd.</i>	
Starred Questions and Answers	2895— 2939.	Election of Members to the Central Advisory Council for Railways	2940
Unstarred Question and Answer	2939—40	Election of a Member to the Standing Committee on Pilgrimage to the Hedjaz	2949
		Motion <i>re</i> Indo-British Trade Agreement—negatived	2940— 3004.

LEGISLATIVE ASSEMBLY.

Saturday, 26th March, 1939.

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

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS.

INCREASES OF PAY OF SUBALTERNS OF THE BRITISH ARMY SERVING IN INDIA.

1302. *Mr. S. Satyamurti: Will the Defence Secretary please state:

- (a) whether his attention has been drawn to the following question and answer in the House of Commons recently:

“Lieutenant-Colonel Sir Walter Smiles, Conservative M. P. for Blackburn, Lancashire, asked in a written question to the Secretary of State for War ‘if subalterns of the British Army serving in India have received increases of pay in the same proportion as those given to subalterns of the British Army serving at home’ in the Commons last week. The Under-Secretary of State for India, Lieutenant-Colonel A. J. Muirhead, has answered: ‘When the rupee rates in India for British Service Officers were last revised in 1924-25, they were constructed on the sterling rates at that time in force in such a way as to give the officer in India a substantial advantage by higher rate of pay. Since that date there has been no reduction in Indian rates of pay whereas the sterling rates of pay at home have been subjected to successive reductions. In the circumstances, my noble friend decided that no increase was necessary in the Indian rates for a second lieutenant and lieutenant on promotion’;”

- (b) whether it is a fact that in 1924-25, the rates of pay were so constructed as to give an officer in India a substantial advantage by higher rate of pay;
- (c) if so, what was the measure of advantage;
- (d) what are the reasons for that advantage being given; and
- (e) the reason why there has been no reduction in Indian rates of pay, while the sterling rates of pay in England have been subject to successive reductions?

Mr. C. M. G. Ogilvie: (a) Yes.

(b) Yes.

(c) The grant of an Indian allowance.

(d) This Indian allowance is designed to compensate officers for the additional cost of living as a result of serving overseas. It is exactly

comparable to the colonial allowance which is given to British Service Officers serving in other overseas stations.

(e) Sterling rates of pay in the United Kingdom underwent reduction on account of the fall in the cost of living in the United Kingdom. The Government of India have reviewed the Indian rates of pay fixed in 1924 on four subsequent occasions but they found that the cost of living in India had not fallen to such an extent as to justify a reduction. The sterling rates of pay issued to those officers while on leave or on duty in the United Kingdom were subject to the same reduction as was made in the pay of officers under the Imperial establishment.

Mr. S. Satyamurti: With reference to the answer to clause (d) of the question, may I know if, at the time when this increase was given, any calculation was made by Government of the actual increase in the cost of living, and was the increase in salaries in proportion to the said increased cost of living?

Mr. C. M. G. Ogilvie: I think the most detailed calculations were made.

Mr. S. Satyamurti: May I know if my Honourable friend can give any figures to this House as to the increased cost of living and the relation of the increase in the scale of salaries to the increased cost of living?

Mr. C. M. G. Ogilvie: No; in the United Kingdom the information could probably be found. As regards the state of affairs in India, the results of the inquiries which took place in 1928, 1930, 1931 and 1937 were to the effect that the cost of living in India had not fallen to such an extent as to justify a review.

Mr. S. Satyamurti: This increase was given in 1924-25 because of the cost of living. May I know whether the cost of living has not at all fallen since then and whether today, according to the calculations made by the Government of India, the cost of living is as high as it was in 1924-25 when this increase was given?

Mr. C. M. G. Ogilvie: That is undoubtedly the conclusion.

Mr. K. Santhanam: Is the Honourable Secretary aware that the prices of foodstuffs have gone down by 50 per cent.?

Mr. C. M. G. Ogilvie: The price of foodstuffs is a very small part and it may be compensated by rises in other directions.

Mr. K. Santhanam: Is the Honourable Secretary also aware that the prices of clothing have also fallen almost to the same extent during that period?

Mr. C. M. G. Ogilvie: Not of English clothing.

Mr. S. Satyamurti: Will the Secretary place on the table a statement of the information in possession of Government on which they have come to the conclusion that the cost of living in 1934 had not fallen below the cost of living in 1924?

Mr. O. M. G. Ogilvie: I think that would take too long a time and I do not think it is worth while. The Honourable Member must himself realise that the prices of foodstuffs and so on, though they may have decreased in some cases quite considerably since 1924, have been more than set off by the increase in taxation, customs duty and so forth.

Mr. S. Satyamurti: Is it the intention of Government that if there is increased taxation, these services ought to be paid more in order to pay the increased taxation?

Mr. O. M. G. Ogilvie: No; but these things are naturally considered when the cost of living is examined.

INCIDENCE OF TAXATION IN INDIA.

1303. *Mr. S. Satyamurti: Will the Honourable the Finance Member please state:

- (a) whether any enquiry has recently been made into the incidence of taxation, Central, Provincial and local, of each individual tax-payer in India;
- (b) if so, when the attempt was made and what the results were; and
- (c) if not, whether Government have any intention of making an enquiry into the incidence of taxation under these three heads in India with a view to following a common taxation policy?

The Honourable Sir James Grigg: (a) No.

(b) Does not arise.

(c) No such proposal is at present under consideration.

Mr. S. Satyamurti: May I know the reasons why the Government of India have not made and do not propose to make the inquiry as suggested in this question?

The Honourable Sir James Grigg: The Honourable Member must be aware that I have made statements on various occasions. The whole question which is being created by what the Honourable Member calls the concurrent field of taxation is one which is engaging our very serious consideration and is one on which I have expressed my inability to say anything definite at present.

Mr. S. Satyamurti: Apart from the attitude of Government towards the Federal Court judgment in respect of one concurrent source of taxation, may I ask why the question of incidence of taxation which is raised in this question on the individual tax-payers as against the Central, Provincial and local taxation, is not being examined by the Government?

The Honourable Sir James Grigg: There is a good deal of statistical analysis to be done and investigation will have to be carried out before we could express any opinion on the incidence of taxation generally. It may be true that I had promised on one occasion to ask the Economic Adviser to consider such an inquiry. Very limited steps have been taken about

that inquiry and the Economic Adviser has reported that it would cost a lakh or two to undertake it and therefore in view of the financial stringency it has not yet been undertaken. But the Economic Adviser does propose, I know, to raise the question again during the year if the prognostications of Honourable Members opposite that I have under-estimated the revenue turn out to be correct.

Mr. S. Satyamurti: Will the Government of India re-consider the whole position in view of its importance to all the interests concerned—the Central Government, the Provincial Governments and the tax-payers—and revise their decision with regard to the inquiry and start it as early as possible unmindful of a lakh or two?

The Honourable Sir James Grigg: I think the Honourable Member had better address that question to my successor. I have had a discussion with the Economic Adviser and recommended him to take up that matter with my successor as early as possible.

LEVY OF AN EMPLOYMENT TAX IN THE UNITED PROVINCES.

1304. *Mr. S. Satyamurti: Will the Honourable the Finance Member please state:

- (a) whether the attention of Government has been drawn to the levy of employment tax in the United Provinces by the Provincial Government;
- (b) whether the Government of India have been approached by any of their servants serving in the United Provinces in respect of this tax; and
- (c) whether Government have any intention of challenging the competence of Provincial Governments to levy this tax before the Federal Court; if so, why?

The Honourable Sir James Grigg: (a) Yes.

(b) No.

(c) I am not in a position to make any statement.

Mr. S. Satyamurti: With regard to the answer to clause (c) of the question, may I ask whether the matter is being considered at all by this Government?

The Honourable Sir James Grigg: Does the Honourable Member refer to the question of challenging the judgment or the situation created by the judgment?

Mr. S. Satyamurti: Both.

The Honourable Sir James Grigg: The whole situation is being considered.

Mr. S. Satyamurti: May I ask whether the Government of the United Provinces will be given some indication of the attitude of the Government of India in time before they take any step by way of challenging their taxation proposals?

The Honourable Sir James Grigg: I do not think it will get to that stage in the next ten days and therefore I prefer not to make any addition to what I have already said.

Mr. S. Satyamurti: May I request you, Sir, that it is not fair to the House that my Honourable friend should say that he will be going away after ten days, and therefore he does not want to say anything further on this matter? Whether the Honourable Member is here or not, the Government goes on.

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands that he has spoken to his successor.

Mr. S. Satyamurti: But he has got to answer the question. He cannot walk away merely by saying that he is going away.

The Honourable Sir James Grigg: It is not a desire to evade any responsibility or anything of that sort. It is merely a desire to leave my successor with as few commitments as possible.

BUDGETS OF PROVINCIAL GOVERNMENTS AND THEIR FINANCIAL PROPOSALS FOR TAXATION.

1305. *Mr. S. Satyamurti: Will the Honourable the Finance Member please state:

- (a) whether the Central Government had now received the budgets of all Provincial Governments and copies of their financial proposals for taxation next year;
- (b) whether the Central Government have examined all these taxation proposals; and
- (c) whether they have come to any conclusions thereon with a view to promoting an understanding between the Centre and the Provinces on what may be called concurrent fields of taxation; if not, why not?

The Honourable Sir James Grigg: (a), (b) and (c). The majority of the Provincial budgets have only recently been received. I cannot at present add anything to my previous replies and statements on this subject.

Mr. S. Satyamurti: With reference to the answer to part (b) of the question, may I ask whether Government have examined the taxation proposals of the various Provincial Governments, as part of their own arrangements for the next year's proposals?

The Honourable Sir James Grigg: "Examined" is the wrong word, but if the Honourable Member will be content with the word "studied", certainly.

Mr. S. Satyamurti: As the result of that study, may I know whether Government have come to any conclusion with regard to promoting an understanding between the Centre and the Provinces which cannot await much longer?

The Honourable Sir James Grigg: I do not understand the question. The Provinces cannot wait much longer for what?

Mr. S. Satyamurti: For an understanding between the Centre and the Provinces in what are called items in the concurrent list of legislation, which cannot await much longer?

The Honourable Sir James Grigg: A good many of the Provincial Governments have in their budgets made proposals in this concurrent field of legislation.

Mr. S. Satyamurti: I am asking whether the Government of India will come to an understanding with them so that there may not be surprises sprung upon them by reference to the Federal Court, and all sorts of last minute surprises.

The Honourable Sir James Grigg: If the Honourable Member means that as regards any action which Government may wish to take in this affair, the Provinces should get due warning, I entirely agree with that. But I hope the Honourable Member will not infer from that anything more than what I have said. My general position is that the matter is being studied. Beyond that I cannot say anything.

Mr. S. Satyamurti: May I ask whether Government will explore all the possibilities of coming to an understanding with the Provincial Governments, before resorting to courts of law?

The Honourable Sir James Grigg: That goes very much further, and I would prefer to take refuge in my general answer that I cannot add anything to my earlier statements.

Mr. K. Santhanam: Will the Honourable Member consider the desirability of including a note on the budgets of the provinces in the explanatory memorandum to the Central Budget so that we may be aware of the implications of provincial finance?

The Honourable Sir James Grigg: If the Honourable Member will consider the times when the various provincial budgets are presented in relation to the time of the Central budget, he will find that it is not a practicable suggestion.

Mr. K. Santhanam: I am referring to previous year's budgets of the provinces. I am not asking for a note for the next year's budget.

The Honourable Sir James Grigg: I will pass on that suggestion to my successor.

Prof. N. G. Ranga: Is there a possibility of bringing about this sort of understanding between the Centre and Provinces by convening a conference of Financial Ministers also?

The Honourable Sir James Grigg: I answered that question in the statement which I made in the House the other day.

Prof. N. G. Ranga: When is the next Financial Minister's conference?

The Honourable Sir James Grigg: Not within the next ten days.

FOREIGNERS IN INDIA.

1306. ***Mr. S. Satyamurti:** Will the Honourable the Home Member please state:

- (a) the number of foreigners who entered India since 1st January, last year;

- (b) whether Government have any information as to the places where these foreigners are working now and the nature of their employment;
- (c) whether any propaganda is being carried on by these foreigners on behalf of the foreign Governments;
- (d) whether Government have any means of watching that propaganda; and
- (e) whether Government propose to take any steps in this direction?

The Honourable Sir Reginald Maxwell: (a) I am endeavouring to obtain information on this point.

(b) No. I would refer the Honourable Member to my reply to parts (b) and (c) of his starred question No. 1056 given on the 15th March, 1939.

(c), (d) and (e). I would refer the Honourable Member to my reply to Mr. Manu Subedar's starred question No. 1165 on the 18th March, 1939, and to the supplementary questions arising therefrom.

Mr. Badri Dutt Pande: Is it a fact that there are Nazi organisations and Fascist organisations also in India which are doing propaganda work and distributing literature?

The Honourable Sir Reginald Maxwell: Yes.

Mr. S. Satyamurti: My Honourable friend is very cautious in giving his answer which I appreciate. I merely want to know whether Government have any adequate means to watch the propaganda and take steps to check it, if they consider it necessary.

The Honourable Sir Reginald Maxwell: Certainly, Government have adequate means of watching it. If the Honourable Member has any interest in the question, I can give him certain information privately which I would not like to give publicly.

Mr. S. Satyamurti: I am not asking about the information. I want to know, so that the House may be satisfied, that Government have adequate means in their possession of watching and controlling and checking this propaganda by foreigners in this country, on behalf of foreign Governments.

The Honourable Sir Reginald Maxwell: I consider that Government have adequate means.

Mr. M. Thirumala Rao: Is it a fact that the Haverro-Trading Company is one of the principal centres for German propaganda in this country?

The Honourable Sir Reginald Maxwell: I cannot answer that question without notice.

RENEWAL OF GOVERNMENT SECURITIES.

†1307. **Mr. S. Satyamurti:** Will the Honourable the Finance Member please state:

- (a) whether the Government of India have been addressed by the Indian Merchants Chamber, Bombay, regarding the renewal of Government securities;

†Answer to this question laid on the table, the questioner having exhausted his quota.

(b) with reference to the recent decision of the Privy Council, reported in 65 Indian Appeals, Secretary of State *versus* the Bank of India, Limited, whether Government have considered the recommendations of the Indian Merchants Chamber, Bombay, that Government should bring forward at an early date legislation for amending or modifying the Indian Securities Act, 1920, by definitely laying down that beyond section 21 of the Act which provides for indemnity, there is no right of implied or any indemnity which is sought to be given to Government under the aforesaid decision of the Privy Council; and

(c) whether Government propose to grant the request and bring up suitable legislation; if not, why not?

The Honourable Sir James Grigg: (a) Yes.

(b) Yes.

(c) No. Government do not consider that the suggestion made by the Indian Merchants' Chamber would be helpful as, if adopted, it would involve a change in procedure which would operate to the serious disadvantage of small investors. The reasons for Government's decision are set out in their reply to the Indian Merchants' Chamber, a copy of which is being placed on the table.

No. D./1724-F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

New Delhi, the 20th March, 1939

From

H. A. C. Gill, Esquire, I.C.S.,

Deputy Secretary to the Government of India.

To

The Secretary,

Indian Merchants' Chamber, Bombay.

SUBJECT:—Renewal of Government Securities.

Sir,

I am directed to reply to the representation on the above subject contained in your letter No. 470, dated the 22nd February, 1939.

2. Government's opinion as regards the legal position of renewed Government promissory notes having been confirmed by the Judicial Committee of the Privy Council it does not appear that any useful purpose would be served by further discussion of it. I am to invite your Chamber's attention to the answer given by the Honourable the Finance Member to a question by Mr. Manu Subedar on this subject in the

Legislative Assembly on the 18th February last. Government cannot accept a position where they would assume full liability in respect of notes which had been renewed, and attention is invited to the following extract from the Honourable Member's answer :

"This (the issue of a new note free from any defects in the old one), however, does not mean that the party who has endorsed the old note on to Government will not continue to be subject to the ordinary liability of a party who has passed on a negotiable instrument with a defective title or no title at all, and Government naturally retain the ordinary right to claim against such a party. It is quite obvious that Government could not accept a position where they would assume full liability in respect of such notes as this would open the way to extensive malpractice and collusion."

The point which requires emphasis in connection with the suggestion of your Chamber is that if Government were to forgo their right of action against a holder who acquire title through a forged endorsement the way would be opened for the practice of frauds on a widespread scale with no right of recovery open to Government. Government are, in effect, asked to guarantee the validity of all endorsements on Government Promissory Notes which are accepted for renewal. In practice, the Public Debt Offices are clearly not in a position to verify the correctness of all endorsements. To do so they would, *inter alia*, have to keep records of the specimen signatures of all parties who are likely to be endorsers of Government Promissory Notes; this is obviously impossible. All that they are in a position to do in the majority of cases is to verify that the endorsements are *prima facie* in order and after doing so Government are prepared to issue a new note free from any defects in the old one. In so doing, Government rely on the right, inherent in a negotiable instrument in the form of a promissory note, of action against any holder who acquired the old note through a fraudulent endorsement.

3. Government cannot, therefore, resile from the position which they have taken up as indicated in the Honourable the Finance Member's answer and, therefore, if the suggestion made by your Chamber were adopted, Government would be obliged, in order to maintain the protection which they enjoy at present and which they consider to be essential, to require an indemnity to be given in respect of every renewal of a Government Promissory Note. This they do not consider a practical proposition. In the first place, it would be, from the point of view of a holder of Government Promissory Notes, no improvement on the existing position; and secondly, while in the case of large dealers in Government securities, such as banks and insurance companies, it would be possible for them to arrange for a continuing general indemnity, instead of a separate indemnity in respect of each note renewed, it would be an undoubted hardship and disadvantage to small holders who would be put to the trouble and expense, on each renewal, of obtaining an indemnity satisfactory to Government.

4. It remains, therefore, only to examine from a practical point of view the position resulting from the elucidation of the question of liability by the Privy Council judgment. Government are of opinion that the difficulties, if indeed such exist in practice, have been greatly exaggerated. The practical steps which a purchaser of Government Promissory Notes can take to protect himself were indicated in the reply of the Honourable the Finance Member to the question in the Assembly to which a reference has been made above. I quote below the relevant portion :

"The remedy in the hands of Banks and other dealers also seems plain. They should, as in the case of other negotiable instruments, take reasonable precautions that the previous endorsee is a party of standing or one known to them, and insist in other cases, if there is any element of doubt, that the script should be renewed before they take it, in which case they will be fully protected so long as they take the simple precaution of satisfying themselves that the party selling them the note is the actual party in favour of whom the note was renewed."

5. It has been pointed out that the procedure proposed in cases where the purchaser of Government Promissory Notes is in doubt will involve hardship because it will prevent "over-the-counter" purchases of securities from unknown parties by dealers. This, however, is a difficulty inherent in the particular form of security which has achieved the greatest popularity in India, *viz.*, the Government promissory note. The only form of security which is suitable for such 'over-the-counter' dealings

with unknown parties is obviously a fully negotiable instrument payable to bearer where ownership passes by delivery against payment. Government have in the past made bearer bonds, which conform to these requirements, available in respect of some of their loans, and in fact such bonds are now obtainable in respect of the $\frac{3}{4}$ per cent. Paper and the 5 per cent. 1945-55 (tax-free) loan. There has, however, been no demand for this form of security for many years and it is for this reason that bearer bonds have not been made available in respect of subsequent Government loans. The reason for the lack of popularity is undoubtedly the difficulty of keeping such bearer documents in safe custody and the risk and trouble attendant on drawing interest; the advantage which they enjoy from ready negotiability is obviously a disadvantage from the point of view of safe keeping. If, however, a genuine demand for bearer securities were in evidence on a reasonable scale Government would be willing to give consideration to the question of making this form of security generally available.

6. Another form of security which is free from the difficulties as regards fraudulent endorsement inherent in the Government Promissory Note is the Stock Certificate. As was indicated by the Honourable the Finance Member in an answer to a further question in the Assembly recently, steps have been taken from time to time to encourage the use of this form of security in place of the promissory note because of the advantages which attach to it by reason of the fact that every transfer of ownership must be registered at a Public Debt Office and each separate transfer is, therefore, subject to detailed scrutiny. It is evident, however, from the poor response which followed from Government's efforts to popularise Stock Certificates that the ordinary investor prefers to retain his security in a form transferable without resort to the Public Debt Office. Stock Certificates are available in respect of all Government loans but their use is, of course, a matter entirely for holders, and apart from bringing the advantages of this form of security to the notice of the public, which has already been done, it is difficult to see what further steps can be taken by Government to popularise their use.

7. In conclusion, I am to say that though Government do not consider the suggestion of your Chamber to be a practicable one for the reasons which have been indicated, they are anxious to do anything in their power to improve the marketability of their securities consistent with safeguarding the interests of the revenue and would welcome any practicable suggestions with regard to alternative forms of security.

I have the honour to be.

Sir,

Your most obedient servant.

H. A. C. GILL,

Deputy Secretary to the Government of India.

OVERTIME AND HOLIDAY ALLOWANCES PAID UNDER "CUSTOMS".

1308. *Mr. T. S. Avinashilingam Chettiar: Will the Honourable the Finance Member state:

- (a) the amount paid as overtime and holiday allowances under the head 'Customs' in the last financial year; and
- (b) under what circumstances these allowances are paid, and to whom?

The Honourable Sir James Grigg: (a) The Honourable Member is referred to the Demands for Grants for the year 1939-40—Demand No. 1 Customs,—See Customs charges at the Ports—A8 Overtime and Holiday Allowances.

(b) The allowances are paid in accordance with the rules prescribed for the purpose to the Customs staff for duty performed overtime and on holidays

Mr. T. S. Avinashilingam Chettiar: The Honourable Member's answer to part (b) simply repeats the question:

"under what circumstances these allowances are paid and to whom"?

The Honourable Sir James Grigg: Overtime and holiday pay.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member says there are certain rules and, according to these rules, the allowances are paid.

CONTRIBUTIONS AND DONATIONS PAID UNDER "CUSTOMS".

1909. *Mr. T. S. Avinashilingam Chettiar: Will the Honourable the Finance Member state:

- what is the total amount paid under 'Customs' under the head of Grant-in-aid, contributions and donations;
- to whom these are paid generally, and whether there are any rules guiding this expenditure; and
- how these amounts have been spent in the last financial year?

Th Honourable Sir James Grigg: (a) The total for 1937-38 was Rs. 60,000.

(b) Payments are generally made to institutions concerned with the welfare of seamen and of Customs staffs in accordance with long established practice and in the light of the principles enunciated by the Standing Finance Committee in 1930.

(c) A statement showing the names of the institutions to whom payments were made in 1937-38 is placed on the table.

Statement showing the names of institutions to whom payments were made in 1937-38.

		Rs.
Bombay .	Prince of Wales Seamen's Institute	2,400
	Preventive Service Club and Customs Athletic Club	5,700
	Loans and Grants Fund	1,600
	Recreation Club and Reading Room	1,000
	Indian Sailors' Home	8,200
		<hr/> 18,900
Sind	Customs Recreation Club	2,000
	Sind Provincial Branch of Red Cross Society (Mater- nity and Child Welfare Centre)	600
	McMinch Memorial Seamen's Rest	500
	Civil Hospital Aid and Nursing Association	1,300
		<hr/> 4,400
Bengal .	Service Sunday Fees Fund	9,200
	Seamen's Welfare Committee	24,000
	Charitable dispensaries at Kidderpore and Budge- Budge Docks	300
	Customs Recreation Club, Calcutta	200
		<hr/> 33,700
Chittagong	Sunday Fees Fund	450
	Customs Recreation Club	150
		<hr/> 600
Madras .	Port Staff Club	800
	Customs Benefit Fund	1,000
	Customs Library	600
		<hr/> 2,400

Mr. N. M. Joshi: May I know whether the amounts paid to the different organisations are also mentioned in the statement?

The Honourable Sir James Grigg: Yes.

DEFENCE BUDGET OF INDIA AND JAPAN.

1310. *Mr. Brojendra Narayan Chaudhury: Will the Honourable the Finance Member please state:

- (a) with reference to his statement during the General Budget discussion that the Defence Budget of Japan bore higher percentage to total Budget than in the Indian budget, whether his attention has been drawn to the following news in "Late News" column of the *Hindustan Times*, dated the 13th March, 1939:

"Tokio, March 12.

Japan's budget for 1939-40 amounts to 10,410 million yen and includes ordinary budget of 3,694 million yen, *extraordinary* military budget for China incident of 4,605 million yen and a supplementary budget for Navy and War Ministries of 910 millions.—Reuter."

- (b) whether according to his information the above figures are correct;
- (c) in his statement referred to in part (a), whether he compared ordinary military expenditure of India with ordinary military expenditure of Japan, or the ordinary military expenditure of India with extraordinary military expenditure of Japan; and
- (d) whether the analysis given in the explanatory memorandum on the Budget—that for 1939-40 net tax revenue is 67.84 crores; net Defence expenditure is 45.18 and expenditure for Defence Department is 6.61 is absolutely correct, and works up the percentage of total net expenditure for Defence purposes to net tax revenue to about 80 per cent.?

The Honourable Sir James Grigg: (a) to (c). The remark that I made was to the effect that Japan spends more than 50 per cent. of her income on her defence budget; and what I had in mind was the fact that in the budget estimate of 1938-39, as reported by the Statesman's Year Book, military expenditure exclusive of appropriations for the war in China amounted to over 57 per cent. of the revenue. The figures in the Reuter's message which I am not in a position to verify, give neither the income nor the ordinary military budget nor yet the total military expenditure and are therefore irrelevant from the point of view of my remark.

(d) The figures quoted from the ~~Explanatory~~ Memorandum are correct except that the expenditure on the Defence Department is Rs. 6.68 lacs and not Rs. 6.61 crores. But if I may say so, it is somewhat pointless to work out the proportion which military expenditure bears to a part of the total revenue.

MESSAGE FROM H. E. THE VICEROY AND GOVERNOR GENERAL.

Mr. President (The Honourable Sir Abdur Rahim): The Chair has to inform the House that it has received a Message from His Excellency the Viceroy and Governor General:

"In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, I, Victor Alexander John, Marquess of Linlithgow, do recommend to the Legislative Assembly that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the incidence and rate of excise duty on khandsari sugar leviable under the Sugar (Excise Duty) Act, 1934, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, and to fix rates of income-tax and super-tax, in the form hereto annexed."

LINLITHGOW,

Viceroy and Governor General."

NEW DELHI;

The 25th March, 1939.

THE INDIAN FINANCE BILL—contd.

Mr. M. S. Aney (Berar: Non-Muhammadian): Sir, before the recommended Bill is proceeded with, I want to raise a point of order. On the order paper the subject noted is the further consideration of the Finance Bill which obviously means the old Bill which we considered till yesterday. There is no reference whatsoever to any motion with regard to a recommended Bill to be made today. I, therefore, submit that the House is entitled to have due notice before any motion with regard to this Bill is made.

Mr. President (The Honourable Sir Abdur Rahim): The Chair thinks this is in accordance with the practice that has always prevailed in this House.

Mr. M. S. Aney: That was because no objection was raised. But when objection is taken, the point of order has to be decided.

Mr. President (The Honourable Sir Abdur Rahim): If it were a matter of real inconvenience to the House, the Chair would certainly consider the suggestion made by the Honourable Member. But it is practically the old Bill which is now sought to be passed in the recommended form; and, in accordance with the prevalent practice of this House, the Chair has read out what the recommendation of the Governor General is. The next item in the agenda is that the Finance Member has to move that the Bill be passed.

The Honourable Sir James Grigg (Finance Member): The next stage is that I shall move the amendments required to bring the old Bill into conformity with the recommended Bill.

Mr. President (The Honourable Sir Abdur Rahim): The Chair takes it that copies of amendments have been circulated already. (*Voices of "Just now."*)

The Honourable Sir James Grigg: Sir, I presume it would be in accordance with practice to move amendment No. 3 first which is the first operative amendment, and not the amendments to the long title and preamble.

Mr. President (The Honourable Sir Abdur Rahim): Yes.

The Honourable Sir James Grigg: Sir, I move:

"That in clause 2 of the Bill, after the words 'one rupee' the words 'and four annas' be inserted."

This amendment is to restore the salt duty to its old figure. Perhaps I may say a few words about the form in which the recommended Bill appears and explain to the House that the only Member who has drawn a horse in this sweepstake is my Honourable friend, Mr. Sri Prakasa. Otherwise, the Bill is in the original form save for the two official amendments which were carried yesterday. Sir, I move.

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

"That in clause 2 of the Bill, after the words 'one rupee' the words 'and four annas' be inserted."

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, I do not understand the situation, and I should like your assistance in understanding it. The Bill has been recommended by His Excellency the Governor General to be passed in this form. Then, where is the necessity of any amendment? It may be taken as an indivisible whole.

Mr. President (The Honourable Sir Abdur Rahim): Of course, it has to be done, otherwise the Bill will not be passed in the form recommended. That is the practice, and the Chair thinks it is reasonable. It is quite possible,—the Chair does not know,—that the House may accept the amendments or some of them.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): Sir, no doubt, this practice has gone on for four years, and this is the fifth year, and the Honourable the Finance Member may go to his country with the satisfaction that all his Finance Bills have been rejected by this House and he has had the unique record of governing this country by certified Finance Bills for five years in succession. I make a present of that to him, to go and exchange his thoughts with the Chancellor of the Exchequer and with the Ministers in England and tell them that, whereas they have got to take the consent of the House of Commons, he was going from a country where he had no use for the Legislature and where he had got a person whose signature was ready for whatever he had got, and that he had been able to get the Finance Bill recommended and certified year after year for five years. It does seem to me, Sir, that that is not a position to which this House should be reduced year after year. I do not think it is right for the Honourable the Finance Member to close his mind to all suggestions and to say, "I know what is good for this country; nobody else does. What I do not know is not worth knowing, and, therefore, take it or leave it".

Yesterday, my Honourable friend, Sir Cowasji Jehangir, with an enthusiasm and confidence worthy of a better cause, played on the phrase "spirit of the constitution" and made a very spirited appeal to the Finance Member to act according to the spirit of the constitution. The appeal fell as usual on deaf ears; the Finance Member would not listen to the appeal. And Sir Cowasji Jehangir made a sporting offer. He said, "You say that this is the budget, and this is the money you have got. For God's sake, say, you can spare 50 or 60 or 70 lakhs and leave it to this House to decide to which relief that money may be allotted". It may be the half-anna postcard, it may be the salt duty, or it may be the particular amendment he was moving. The Finance Member said, "I have no money and, even if I had, this is the last purpose for which I would earmark that money". He will find many Honourable Members of this House agreeing with him that if there is only 50 lakhs the first claim on that 50 lakhs will go either for the half-anna postcard or for the reduction of the salt duty and not for relief towards super-tax payers. But the attitude of the Finance Member is this: "I will not give you the half-anna postcard, I will not give you any reduction of the salt duty, I will give no relief whatever in any direction". Now, Sir, it seems to me that this attitude of non-co-operation is undoubtedly a sincere form of flattery to us who are always blamed by Government for practising non-violent non-co-operation against them. But today the boot is on the other leg. The Finance Member and his Government are practising non-co-operation,—I will not say non-violent because once this Bill becomes law by the certificate of the Governor General, there will be all the weapons of His Majesty's Government and the army and the navy and the air force to collect these taxes. Therefore, it is violent non-co-operation practised with this House and with the people who elected us to this House and whom we represent.

On the merits of this question, I should like to know from the Honourable the Finance Member or anybody who can speak on behalf of Government whether Government considered this question between the votes of this House yesterday evening and this morning, and why they came to the conclusion that they could not accept any single amendment. I must confess to a feeling of amazement at the rapidity with which these things go in Delhi. When it is a question of giving some relief to the taxpayer or of redressing some grievance, many months elapse and sometimes, years elapse and nothing happens. When it is a question of rejecting the votes of this House and recommending a Bill, it is done within 12 hours. It was only yesterday after Five or quarter past Five that this House finished the consideration of this Bill. May I know when the Governor General applied his mind to this, when he had the proceedings of this House before him, when he considered the arguments for these various amendments? And lo and behold, at eleven o'clock in the morning we are getting a printed document. I do not know when it was sent to the press, who sent it to the press, who corrected the proof, when the proof was received and passed and struck off. It does seem to me it is too much of a joke. I suggest that even the Finance Member must treat this House a little more seriously. . . .

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): From midnight up to this time is eleven hours.

Mr. S. Satyamurti: My Honourable friend, Sir Muhammad Yamin Khan, says that from midnight up to now is eleven hours. Probably he

[Mr. S. Satyamurti.]

works after midnight. I do not. Therefore, I suggest that the way in which the amendments of this House are treated shows that the Government do not pay us even the courtesy of considering the amendments and the arguments in favour of the amendments; and they have sent this recommendation to us exactly as it was, excepting one small concession to my friend, Mr. Sri Prakasa, to which the Finance Member made reference. No doubt the Rules and Standing Orders governing this matter and the section of the Act of 1919 leave room for ambiguity. I once argued the matter elaborately before you some four years ago and the matter was concluded by your ruling at that time, and ever since it has, as it were, been under a sentence of death; and there is no use arguing the position again; for the position under the Act of 1935 may be entirely different so far as this matter is concerned. But on this particular amendment which my Honourable friend is moving, namely, that the salt duty shall be raised again to Rs. 1-4-0 a maund and not reduced to one rupee, may I know why the Government have come to the same conclusion again? Have they considered the arguments advanced by my Honourable friend, Mr. Ananthasayanam Ayyangar, who moved the amendment and who made the point, which I submit is unanswerable, that the effect of the acceptance of the amendment by the House and the Government will simply mean that the surcharge on the salt tax levied some years ago will be removed? Surcharges are emergency taxation. My Honourable friend's predecessor said so in this House—that all these surcharges are being levied in order to meet an emergency. The surcharge on the income-tax has gone, although the new slab system restores it more or less, but, undoubtedly, the surcharge has gone. I should like to know what arguments the Government can advance or have considered themselves, to justify the continuance of this surcharge on the salt tax alone, which is the poor man's article. They have said nothing on that matter.

Then, on the question of the average consumption of salt in this country, it is well-known that it is much below what it is in other countries, especially England; and I think the health of the nation as a whole and of its cattle will considerably improve, if there is increased consumption of salt in this country; and the figures of taxation of salt, compared with the consumption of salt by the people, reveal a very significant story, that when the tax goes up the consumption goes down, and when the tax goes down the consumption goes up. I think it is a human argument which must be accepted by all sections of this House. Of course, my Honourable friend says there will be a loss of Rs. 176 lakhs or Rs. 160 lakhs, if this amendment is accepted. Assuming it is so, it seems to me that the Government must re-examine the position. Apart from actually meeting the deficit, my Honourable friend must have some good arguments as against the arguments advanced from almost every section of the House, that the deficit so-called is not a real deficit, that income estimates have been under-estimated, especially under sugar. On income-tax the Finance Member has practically to admit that the revenue is likely to be more: of course he advanced an argument which is conclusive for this year, namely, that any increase in income-tax receipts will go to the provinces, and will not accrue to the central exchequer. I admit that. But, under sugar, I think a statement was made by more than one expert in this House,—expert in the sense of knowing of what he is talking about,—that the revenue under sugar is under-estimated. Therefore, the Finance Member must have

paid the compliment to this House of arguing with the House, and trying to convince it that its estimate under sugar is not correct and that his estimate is correct. He has not done so.

Moreover, I want to repeat what I said in the course of my speech on the Finance Bill. I do not see why the Finance Member should be so nervous about deficit budgets. Public bodies should not be afraid of deficit budgets. After all, the credit of this country is in the four hundred million hearts and brains and people of this country; and, so long as God gives us that man power in this country, a Government need not be too much afraid of having a small deficit. All this talk about the credit of the Government being affected by a small deficit is nonsense. It does seem to me that, apart from mere technical budget orthodoxy which somehow wants to see the budget is balanced whatever the results may be next year, I submit that the Finance Member has not considered the serious allegations made from more than one quarter of this House that he has under-estimated his revenue, and, therefore, the deficit is not likely to materialise at all, and there is no need for all this increased taxation. Moreover, it seems to me amazing—the manner in which the Honourable the Finance Member comes to this House, throws this Bill at us practically and says: "I have nothing to say. This is the original Bill, and, therefore, you either pass it or do not pass it." It does seem to me that the vote of this House must be presumed to go on arguments and convictions and on counter-arguments and the removal of those convictions. But, unfortunately, the Finance Member takes for granted that the vote of the House is going to be against him, and that he has got a reserve power which he can use. After all, even when you are sure of your power in the ultimate resort, there is such a thing as decency in public life, and I suggest to the Honourable Member. . . (Interruption). If the Honourable Member wants to interrupt me, he must get up and say what he wants to say. I suggest that the way in which this House is treated, year after year on a recommended Bill, is less than fair or even courteous to this House. My Honourable friend must argue why he moves this amendment, and why the Bill ought to be passed in the original form. If the rules provide that the Governor General recommends it, that is another matter. But the rules provide that, after recommendation, something has got to be done by this House before he can certify the Bill. This is the clause under which the Governor General has acted:

"Where during the passage of a Bill in either Chamber the Governor General makes a recommendation in respect thereof, and any clause of the Bill has been agreed to, or any amendment has been made, in a form inconsistent with the form recommended, the member in charge of the Bill may move any amendment which, if accepted, would bring the Bill into the form recommended."

It is only after he makes this motion and after the House refuses to accept that amendment that the Governor General can exercise his power under section 67B of the Government of India Act, 1919, which provides:

"Where either chamber of the Indian Legislature refuses leave to introduce, or fails to pass in a form recommended by the Governor General any Bill, the Governor General may certify that the passage of the Bill is essential for the safety, tranquillity or interests of British India or any part thereof . . ."

Therefore, the condition precedent before the Governor General can certify any such Bill as being essential for the safety, tranquillity, or interests of British India is that this House must fail to pass any Bill in the form recommended by the Governor General. It seems to me, therefore, a preliminary process, unless the succeeding processes are also going to be as immediate as the previous processes have been, that is, the

[Mr. S. Satyamurti.]

thing is done more or less without the application of anybody's mind to it. I suggest that the Finance Member should, in fairness to himself and to this House and to the Governor General, himself have placed before the House his arguments in favour of his amendment. His failure to do so shows that there is no argument which he can advance to meet the arguments advanced on the floor of the House, firstly, in favour of the reduction of the salt duty in the interests of the men, women and children and even cattle in this country. Secondly, that this deficit is not a real deficit, that there is concealed money in the Budget, and that, therefore, the Government can easily afford it, and thirdly, even if there be a small deficit the Government need not be too anxious to cover that deficit, at the expense of the poorest in this country. My friend, for five years now in this House and outside, has always affected his concern of the poorest in the land which has seemed almost sincere; but again and again we have found that when it came to a matter of helping the poor in order that they may live better lives in this country, my friend's passion for the poor has become a fiction and has ceased to be a fact. On the question of salt, I think, public opinion in this country and outside has always held that salt is a necessity which ought not to be taxed. I am one of those who believe that the vices or necessities of the people ought not to be taxed, and that the Government ought to do without taxation on such necessities or vices. Whether we can do so with regard to vices or not may be somewhat open to doubt, but I have no doubt in my own mind whatever that no popular Government at the Centre,—I am not talking of Congress Governments particularly now,—no popular Government at the Centre can afford to keep the salt tax at its level, and to those doubting Thomases who may wonder whether the Congress will carry into practice what it now professes, I invite their attention to the example of the Congress Governments in the provinces who, with remarkable courage, are carrying out prohibition programmes much to the detriment of their revenues. A less confident, a less brave Government, may not have faced the issue squarely as the Congress Governments are doing. We wish them God speed in their good work. But the point and the moral that I want to draw for the benefit of this House and the Honourable the Finance Member is, that this salt tax is doomed, and no popular Government will keep it. Why keep it up again and again in order to balance the Budget as you call it, in order that you may go on spending 50 crores on defending, not India,—because the Defence Secretary has admitted that India cannot defend herself,—but defending your own interests in this country and paying these high and fanciful salaries?

Sir, it seems to me that there is no argument in favour of this amendment for the restoration of this duty. Recently, Sir, Lord Halifax, once Viceroy and Governor General of India, said that England, wherever she goes, leaves the trail of freedom and self-Government. The Honourable the Finance Member is leaving us very shortly. What is the trail he is leaving behind, I do not know.

An Honourable Member: Certification.

Mr. S. Satyamurti: I know he leaves behind him two or three phrases—"no monkeying with the ratio", "big business ought to be fought", "protection ought to go". These are his three contributions to the financial feature of this country. . . .

Mr. F. E. James (Madras: European): Other phrases too.

Mr. S. Satyamurti: For example?

Mr. F. E. James: I won't mention them.

An Honourable Member: Silliest nonsense.

Mr. S. Satyamurti: I agree, but they are not parliamentary, and I do not propose to imitate the Honourable the Finance Member's parliamentary manners. I suggest this is not the trail he ought to leave behind. But it does seem to me that even now it is not too late to take back his amendment and, in consultation with Leaders of Parties, to evolve a Finance Bill which will give relief to the poor, and at the same time very nearly balance the Budget. I do hope the self-respect of this House will assert itself and say to the Finance Member that, although you may have the reserve power, the way in which you have exercised it all these five years and are exercising it this year shows that you have no use for this House at all, and you feel that you can govern with autocratic powers, and, therefore, you need not take the trouble of even trying to convince and convert the House. My resentment is greatest on that account, Mr. President. If my friend this morning had given us his arguments and said these are the reasons in answer to the arguments advanced on the floor of the House in favour of this salt tax, and begged the House to reconsider the whole matter and vote for this Rs. 1-4-0 tax, I could have understood him, but he has not chosen to do so. But it does seem to me, as he himself anticipated, that the verdict of the House is certain. It is going to reject this amendment. We know also the sequel to this Bill which will go to another place, it will be certified, and thus it will become an Act; but I do suggest that by these acts of naked autocracy the Government are getting no change out of the people of this country. Our task here is well-known. We have done it for some years now, and we will do it so long as we are here, that is, to expose continuously and relentlessly to the people of this country the naked autocracy of the Government. They have realised it, they are realising it quickly, and soon there will be a popular Government in these places. When that time comes, these will be ugly memories of an ugly autocratic past. Let Sir James Grigg take this memory with him that his actual contribution to the government of this country, for five years, has been to move impossible Finance Bills, to refuse to accept even the most reasonable amendments of this House, to get the Bill recommended, to move amendments silently relying on autocratic powers and to get his Bill certified. Sir, I do not believe that there has been any other Finance Member of the Government who has got the unique record of five continuous certified Finance Bills to his credit. I wish Sir James Grigg the joy of his achievement. I do ask the House to reject this amendment and teach Sir James Grigg that his place is among the Hitlers of the world.

The Honourable Sir James Grigg: Sir, though I have no formal right of reply, I think my friend, Mr. Satyamurti, would regard it as a discourtesy on my part if I did not, with your permission and that of the House, make a few remarks to enable me. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can say what is necessary by way of personal explanation, but he cannot make another speech. The Honourable Member can ask any other Member of Government to reply.

The question is:

"That in clause 2 of the Bill, after the words 'one rupee' the words 'and four annas' be inserted."

The Assembly divided:

AYES—42.

Abdul Hamid, Khan Bahadur Sir.
Aikman, Mr. A.
Aiyar, Mr. T. S. Sankara.
Ayyar, Mr. N. M.
Bewoor, Mr. G. V.
Boyle, Mr. J. D.
Buss, Mr. L. C.
Chambers, Mr. S. P.
Chanda, Mr. A. K.
Chapman-Mortimer, Mr. T.
Christie, Mr. W. H. J.
Dala, Dr. R. D.
Gidney, Lieut.-Colonel Sir Henry.
Greer, Mr. B. R. T.
Grigg, The Honourable Sir James.
Hardman, Mr. J. S.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Kamaluddin Ahmed, Shams-ul-Ulema.
Kushalnath Singh, Raja Bahadur.
Lillie, Mr. C. J. W.
Macdonald, Mr. J. A.
Maxwell, The Honourable Sir
Reginald.

Menon, Mr. P. A.
Menon, Mr. P. M.
Metcalf, Sir Aubrey.
Miller, Mr. C. C.
Mukerji, Mr. Basanta Kumar.
Nur Muhammad, Khan Bahadur
Shaikh.
Ogilvie, Mr. C. M. G.
Rahman, Lieut.-Col. M. A.
Row, Mr. K. Sanjiva.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain
Sardar Sir.
Sircar, The Honourable Sir
Nripendra.
Sivraj, Rao Sahib N.
Slade, Mr. M.
Spence, Mr. G. H.
Stewart, The Honourable Sir Thomas.
Sukthankar, Mr. Y. N.
Sundaram, Mr. V. S.
Zafarullah Khan, The Honourable Sir
Muhammad.

NOES—50.

Abdul Qaiyum, Mr.
Abdur Rasheed Chaudhury, Maulvi.
Aney, Mr. M. S.
Ayyangar, Mr. M. Ananthasayanam.
Bajoria, Babu Baijnath.
Basu, Mr. R. N.
Chalika, Mr. Kuladhar.
Chaudhury, Mr. Brojendra Narayan.
Chettiar, Mr. T. S. Avinashilingam.
Das, Mr. B.
Datta, Mr. Akhil Chandra.
Desai, Mr. Bhulabhai J.
Deshmukh, Dr. G. V.
Deshmukh, Mr. Govind V.
Gadgil, Mr. N. V.
Govind Das, Seth.
Gupta, Mr. K. S.
Heide, Sri K. B. Jinaraja.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jocendra Singh, Sirdar.
Joshi, Mr. N. M.
Kailash Behari Lal, Babu.
Lalchand Navalrai, Mr.
Laljee, Mr. Huseinbhai Abdullabhai.

Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Manu Subedar, Mr.
Misra, Pandit Shambhu Dayal.
Mudaliar, Mr. C. N. Muthuranga.
Paliwal, Pandit Sri Krishna Dutta.
Pande, Mr. Badri Dutt.
Parma Nand, Bhai.
Raghubir Narayan Singh, Choudhri.
Ramayan Prasad, Mr.
Ranga, Prof. N. G.
Rao, Mr. M. Thirumala.
Saksena, Mr. Mohan Lal.
Santhanam, Mr. K.
Satyamurti, Mr. S.
Sham Lal, Mr.
Shreedass Daga, Seth.
Singh, Mr. Gauri Shankar.
Singh, Mr. Ram Narayan.
Sinha, Mr. Satya Narayan.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Sriharayah, Srimati K. Radha Bai.
Varma, Mr. B. B.

The motion was negatived.

The Honourable Sir James Grigg: In pursuance of sub-rule (5) of rule 30B of the Indian Legislative Rules, I request you, Sir, to endorse on the Bill a certificate in the sense specified therein.

Mr. President (The Honourable Sir Abdur Rahim): The certificate is in this form that the Assembly has failed to pass the Bill in the form recommended by the Governor General.

DEMANDS FOR SUPPLEMENTARY GRANTS IN RESPECT OF RAILWAYS.

DEMAND No. 6-A—WORKING EXPENSES—MAINTENANCE OF STRUCTURAL WORKS.

Mr. T. S. Sankara Aiyar (Government of India: Nominated Official): Sir, I move:

"That a supplementary sum not exceeding Rs. 22,30,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Maintenance of Structural Works'."

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

"That a supplementary sum not exceeding Rs. 22,30,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Maintenance of Structural Works'."

(Prof. N. G. Ranga rose in his place to move his cut motion.)

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can only reduce the demand or refuse it. He cannot discuss any question of policy. This has been repeatedly laid down.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadian Rural): I do not want to discuss any question of policy.

Mr. President (The Honourable Sir Abdur Rahim): It is a token cut. The Chair takes it that the Honourable Member wants to reduce the amount by Rs. 100 to show that the Government have failed to take proper steps to stop floods. That cannot be discussed now. He cannot, therefore, move his motion.

Prof. N. G. Ranga: Then, I oppose the whole demand.

Mr. Brojendra Narayan Chaudhury (Surma Valley *cum* Shillong: Non-Muhammadian): I have got a cut motion in my name.

Mr. President (The Honourable Sir Abdur Rahim): That also is the same thing. It cannot be moved.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadian Rural): I have got a cut motion to discuss the disposal of rebated materials. I want to show that they ought to have got more money, that it was mismanaged. That is my contention.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot move it. He can oppose the demand.

Mr. S. Satyamurti (Madras City: Non-Muhammadan Urban): I have got a cut motion to censure the Government for inaccurate budgeting.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot do that.

Prof. N. G. Ranga: I oppose the grant. These two railways, the Eastern Bengal Railway and the East Indian Railway, pass through a large portion of Bengal itself. The East Indian Railway passes through a large portion of Bihar, Bengal and also a portion of the United Provinces and in these provinces the problem of railway embankments and floods have received very great attention in the recent past.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is raising the same question without moving the cut. He cannot do it.

Prof. N. G. Ranga: I oppose it on the ground that the sum is not really wanted. My view is that in using this money for effecting repairs to damages caused by floods, the Government is following a wrong policy.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot proceed on those lines.

Prof. N. G. Ranga: My view is that Government have been following a wrong engineering policy in constructing their bridges

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot discuss that policy now.

Prof. N. G. Ranga: I am opposing the whole grant and in doing so, my view is that this expenditure could easily have been avoided if only they had followed a proper programme of constructing their bridges.

Mr. President (The Honourable Sir Abdur Rahim): The Chair rules that the Honourable Member is out of order. He cannot discuss anything like that.

Mr. Brojendra Narayan Ohaudhury: Sir, I think, it is the right of the House to refuse supplies when it is found that the money has not been spent intelligently.

Mr. President (The Honourable Sir Abdur Rahim): The time for refusing supplies is the time of the budget. This is not the time.

Mr. Brojendra Narayan Ohaudhury: If it is contended that the money has been already spent, then I cannot see what is the meaning of coming before the House and asking for a grant. The money has been already spent, and it is the privilege of the House to refuse an excess grant.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can point out that the money should not have been spent.

Prof. N. G. Ranga: That is what we were doing, and we were prevented.

Mr. Brojendra Narayan Chaudhury: I say that this expenditure could have been entirely avoided.

Mr. President (The Honourable Sir Abdur Rahim): The Chair's ruling covers that.

Mr. M. S. Aney (Berar: Non-Muhammadan): May I submit one point for your consideration? If I have to argue that a particular expenditure which is mentioned here is unnecessary, in support of that I would have to enter upon some discussion of the mistaken policy which the Government have pursued. Otherwise I cannot argue the question that this particular expenditure was unnecessary. If we cannot make a reference to policy at all, then it will be impossible for us to argue the question also.

Mr. President (The Honourable Sir Abdur Rahim): The position is this, and this has been the practice all along. When the budget is presented and the demand is made, that is the time for discussing any question of policy and to reject the demand or refuse it; but once that has been accepted and Government have incurred expenditure in accordance with the demand that has been passed, including the policy that is involved in the demand, then any supplementary sum required will not involve the question of policy at all. This is covered by previous rulings and it is the practice also in Parliament. Otherwise, the whole policy will be discussed over and over again.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): On a point of order. When we say that we do not agree to this demand at all, we will have to show that the Government had been extravagant in spending the money and this excess ought not to have been there.

Mr. President (The Honourable Sir Abdur Rahim): The Chair does not know what the Honourable Member means by Government being extravagant. If the Honourable Member cannot discuss the question of policy involved, then, in that case, it is not open to him to advance those arguments on a supplementary grant.

Mr. Brojendra Narayan Chaudhury: I am only speaking on the merits. This expenditure is part of the expenditure on account of floods. I am quite within my rights to scrutinize whether the floods could have been avoided in which case this expenditure also would have been unnecessary.

Mr. President (The Honourable Sir Abdur Rahim): The Chair has given its ruling. The Honourable Member cannot discuss that.

Mr. Brojendra Narayan Chaudhury: It is well-known that the country through which the Eastern Bengal Railway passes is subject to recurring floods. We have floods almost every alternate year. The railway engineers do not take note of that. They wait till the floods are upon them.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is ventilating a grievance. He cannot do that on a supplementary demand.

Mr. Brojendra Narayan Chaudhury: Another point is that the Standing Finance Committee recommended that fuller details should be supplied before the demand is put forward. Here there is only one single line by way of explanation. We must be satisfied, as honest men, that the expenditure was necessary, that the money was well spent and that it serves the purpose for which it was required. The same complaint has also been made before and I ask the House to refuse this demand.

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): It has been the practice that every item put in the Budget is scrutinised carefully by the Standing Finance Committee. The House cannot go into the details of those explanations. The House has appointed a sub-committee of their own which does the general scrutiny and the explanations are given to that Committee and through that Committee to the House by the Financial Commissioner for Railways. There may be some small items which remain here and there. One can understand that perhaps they were omitted on account of not having foreseen some small expenses pertaining to a particular grant or demand. But here comes a big sum like Rs. 22,30,000, which is certainly a big item and the Government should not expect that this House should sanction such a big grant without any proper explanation. If that explanation was not given to the Standing Finance Committee, then that explanation ought to have been fully given to this House when this motion was made. I found that no explanation was given to this House and in the speech which the Honourable Member made in moving this demand no explanation has come—at least to justify why it was not placed before the Standing Finance Committee and why it escaped notice. That ought to be the policy of this House,—that only supplementary grants in respect of small sums which may escape the attention of the Administration, when the Budget is presented, should come up, or that something unforeseen happens for which there was no likelihood at the time of the preparation of the Budget of anticipating them. But the supplementary grants are going up to crores of rupees, and this is not treating the House properly to bring up such supplementary demands after the Budget has been made up, in such a summary manner. I think this House owes a full explanation from the Honourable Member before he can get any vote of the House in favour of this demand.

The Honourable Sir Thomas Stewart (Member for Communications and Railways): Sir, as a matter of explanation I may say that the full details of this demand were placed before the Standing Finance Committee for Railways, and I think the Honourable Member is somewhat premature in his complaint as my Honourable friend, Mr. Sankara Aiyar, is about to explain what is the nature of the demand.

Mr. T. S. Sankara Aiyar: Sir, with respect to this particular demand, the reasons for the increase in expenditure for which a supplementary demand is made now, are fully explained on page 62, Volume XV, No. 5, of the proceedings of the meeting of the Standing Finance Committee for

Railways held on the 28th and 30th January, 1939, and they have been approved by that Committee. These proceedings were circulated with the budget papers when the budget was presented, and the whole explanation was before the House.

I shall mention the reasons in brief. There were heavy flood damages on the Eastern Bengal Railway in 1938, involving an expenditure of about Rs. 7 lakhs. On the Gornai Bridge regarding, which cost about Rs. 15 lakhs and was completed last year, the last remnants of the released materials, which were disposed of this year, did not fetch as much credit as was expected originally. There were also certain other adjustments, such as stock adjustments, which by their very nature could not be estimated with great accuracy. The explanations were fully discussed in the Standing Finance Committee, and that Committee has approved of this supplementary demand.

Mr. M. S. Aney: Sir, I tried to look up the papers to see whether the report contained any explanation at all. The explanation was on the same lines as it is given now. The three items which go to make up the amount of Rs. 22,30,000 are these: "heavy repairs to damages caused by floods and less credit for released materials from repair works than originally anticipated". These are vague things and explained in the vaguest possible language. "Increased maintenance charges on track, and less credits from stock adjustment account", and, third, "heavier repairs to track and buildings". Then reference was made to the volume of the proceedings of the Standing Finance Committee on Railways, Vol. XV, Nos. 5 and 7. That also does not give us any details of this expenditure at all. We are here called upon to sanction Rs. 11,50,000 for charges supposed to have been incurred for heavy repairs for damages caused by floods,—where the damages were caused, and what was the amount spent in each of these different places, and so on, these are details which the members of the Standing Finance Committee for Railways were entitled to know as well as the Members of this House are entitled to know, because, without these details it would not be possible for us to judge whether the amount of expenditure incurred by them was properly incurred or not

Mr. President (The Honourable Sir Abdur Rahim): Has the Honourable Member seen the report of the Standing Finance Committee?

Mr. M. S. Aney: That report also does not contain the full proceedings. So far as that report is concerned, the explanation which my Honourable friend, Mr. Sankara Aiyar, has read out is practically taken from that report itself

The Honourable Sir Nripendra Sircar (Leader of the House): The Standing Finance Committee has approved of the supplementary grant.

Mr. M. S. Aney: That is true but there is a note somewhere that further details should be supplied. I do not know whether it was supplied later on but so far as the Members of this House are concerned, we are asked to take it for granted that so much expenditure has been incurred on account of these things, and without any word more in justification of the expenditure thus incurred we are called upon to say that we must

[Mr. M. S. Aney.]

sanction it. Now, they know that there is a practice here that questions of policy are not to be discussed. I am not discussing a question of policy; I am only discussing that question of policy which enables them not to give any explanation at all for any expenditure incurred

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is perfectly justified to call for further explanation of these items, and if no satisfactory explanation is given, the House will decide whether the demand should be sanctioned or not.

Mr. M. S. Aney: I say they must be satisfactory to us. Secondly, certain estimates were made as regards materials that were to be released and it is now found that the amounts which they anticipated to get out of those materials have not materialised and they suffered a loss in the price of that material also and some amounts have been credited for that. How much amount is credited for the credits for released materials and how much is the reduction for heavy repairs due to damages,—these two points are also not separately shown here. Both these things are put together and a general figure is given, viz., Rs. 11,50,000 is wanted for the East Indian Railway and Rs. 49,25,000 is wanted for the Eastern Bengal Railway, and Rs. 1,55,000 for the Bengal Nagpur Railway. The Honourable Member ought to have the courtesy of keeping the House acquainted with the necessary details which go to make up this expenditure. In the absence of that, we will be justified in opposing it. There is one point more. I am told that this is due to floods. When the budget was passed, there were no floods and so the expenditure had to be incurred later on. So, the entire question of flood and also of repairs and damages could not have been discussed when the budget was passed by us. Therefore, any reference that is made by any Member to the policy, which the Railway Board should follow as regards the floods, is a question which was, at any rate, not discussed at that time.

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands that, as a matter of fact, the flood took place after the original grant was made.

Mr. M. S. Aney: That is true. Therefore, this expenditure was not provided for at that time.

Mr. President (The Honourable Sir Abdur Rahim): The House is perfectly entitled to ask for a proper explanation as to how this happened.

Mr. K. Santhanam (Tanjore *cum* Trichinopoly: Non-Muhammadian Rural): Sir, I only want to explain the position of the Standing Finance Committee as it has been brought under discussion. If Honourable Members will turn to the report of the Standing Finance Committee for Railways they will find under the head "Supplementary Grant No. 6-B" this note:

"At the suggestion of one Honourable Member, the Committee desired that they should be furnished with more detailed explanation in such cases in future showing particular directions in which new and unexpected circumstances had arisen, and so on."

Sir, I do not think it is quite accurate to say that the Standing Finance Committee is being supplied with much fuller explanation than is being offered to this House. I have had occasion to notice this and whenever we have asked for more details, generally, the explanation is that the Railway Board themselves have no further explanation than what is supplied by the Agents. The Agents pass on these items to the Railway Board and the Railway Board simply pass them on to us with these short notes. The Standing Finance Committee has to meet only for one or two days and then it comes under the pressure of a very large number of items and, therefore, there is not much time to discuss these supplementary demands in full. I do not think it is correct to say that the Standing Finance Committee is given full opportunity to discuss these items in detail. The want of fuller explanations and their inability to supply them often arises from the fact that the Railway Board themselves are unable to offer full explanations. Therefore, what they cannot have, they cannot give to us and what we are not given, we cannot possibly discuss. In fact, the Honourable Member who moved the motion has never been the Chairman of the Standing Finance Committee. Since he has come, there has been one meeting and he has definitely undertaken that, hereafter, the Committee will be supplied with fuller details. We are responsible to a certain extent and we should have insisted on more explanation. I hope that as the result of this discussion today, in future, for every supplementary demand something like a short budget statement will be presented to the Standing Finance Committee and the Standing Finance Committee will be given sufficient time to discuss it. From that point of view, I am glad that this discussion has arisen. Then it used to be said that this has been the practice of the previous Standing Finance Committees. It was said that generally they used to put supplementary grants like that, with short explanations, and they were passed. So, it has been going on from precedent to precedent and from convention to convention. I shall be more than glad if the House directs that full explanations ought to be given to enable the Standing Finance Committee to scrutinise these demands in greater detail.

Dr. Sir Ziauddin Ahmad: Sir, we are asked to sanction a demand of Rs. 22,50,000 and the only argument that is given to us, on the floor of the House, is that we should not bother about it because the Standing Finance Committee has already sanctioned it and approved of it. This is the only argument which we have heard so far in favour of this particular motion. It practically comes to this, that they have bluffed the Standing Finance Committee and they want to bluff us now by using the name of the Standing Finance Committee. Unless either the Honourable Member for Railways or some other person representing the Railways or a Member of the Standing Finance Committee gets up and justifies that this demand is needed and gives his reasons on the floor of the House, it is impossible for us to accept this particular demand only on the ground that the Standing Finance Committee had accepted it because we know that their acceptance depended upon this very fact and the Railway Board had not supplied them with necessary details. Unless either the representative of the Railway Board or a Member of the Standing Finance Committee can substantiate on the floor of the House that this amount is needed for such and such a purpose, it is very difficult for us to ask the tax-payer to spend that amount and to vote for it.

Mr. S. Satyamurti: Sir, I oppose this demand. The rule concerning this is this:

"An estimate shall be presented to the Assembly for a supplementary additional grant when (1) the amount voted in the budget of a grant is found to be insufficient for the purposes of the current year."

I submit that those who come with these supplementary demands take things for granted. They have got to prove why the budget grant voted for the year by this House on their motion has proved insufficient. They must give reasons as to why they did not provide for this extra expenditure. A supplementary demand is not a matter of course at all. It must be proved by reasons and facts given on the floor of the House that 'a need arose during the current year for expenditure for which the vote of the Assembly is necessary upon some new service not contemplated by the budget for that year'. That is to say, as my Honourable friend, Mr. Aney, has pointed out, if it is a question of spending seven lakhs of rupees on repairs of the damage caused by floods, which is a new service, this House is entitled to ask for the fullest information as to the expenditure.

Mr. President (The Honourable Sir Abdur Rahim): It was never pointed out to the Chair that it was a new service.

Mr. S. Satyamurti: As to the need for the expenditure of seven lakhs on these repairs to damages caused by the flood, we have to satisfy ourselves that the damage caused was so great as to require an expenditure of seven lakhs. They cannot walk away with the plea that these floods could not be foreseen and, therefore, the repairs ought to be carried out. The major premiss is correct that the floods could not be foreseen and, therefore, you must repair the damage caused. But they must prove the minor premiss that seven lakhs are required for the repair of the damage caused by the floods. That they have not done and that is a point on which this House is entitled to the fullest possible information. As regards the plea of the amount being insufficient, the rule says:

"The supplementary additional estimates shall be dealt with in the same way by the Assembly as if they were demands for grants."

I quite recognise that, owing to a series of rulings in this House, the scope of the discussion on supplementary demands has been very limited, and it is a matter for consideration whether we must change it hereafter. But, as the ruling stands at present, there is no doubt that our scope is very limited. I wanted to raise by my cut motion the question of inaccurate budgeting, but it was ruled out of order and there is no course open to me or to the House to show our displeasure at inaccurate budgeting at the present moment except by voting down this demand. I would also like to invite the attention of my Honourable friend to page 62 of the proceedings of the Standing Finance Committee for 1938-39. This is the explanation. Let the House listen to it and see what it explains:

"Compared with the budget estimate, the revised estimate shows an increase of 22 lakhs. At the time of preparation of the original estimate, it was anticipated that on the regrading of the Gorai bridge, on the Eastern Bengal Railway there would be an expenditure of about 3½ lakhs in 1937-38 and a credit of 3½ lakhs in 1938-39 (for released materials)—a net saving of seven lakhs in 1938-39, as compared with 1937-38. Actually, however, the expenditure in 1937-38 was 1½ lakhs and the credit in 1938-39 one lakh only—a net saving of only 2½ lakhs. This means a net increase of 6½ lakhs as against the original estimate."

I am reminded of the story of a school boy who when he came late to school was asked why he came late and he replied 'I have come late'. Similarly, when we ask the Railway Board "why do you over-spend", they simply say "we have overspent". I want to know from somebody, who can speak with knowledge on the subject why the anticipations of the Railway Board with regard to expenditure and the credit for 1937-38 and 1938-39 were not realised, and why the expenditure was only 1½ lakhs as against the expenditure contemplated of 3½ lakhs in 1937-38 which refers to the previous year. Therefore, they should have had the most up-to-date information, and yet they anticipated 3½ lakhs expenditure and they fall short by two lakhs. No doubt these sums are small, piffling when the Railway Board deal in crores. They do not understand the value of these sums. I have already referred to floods—unforeseen damages caused by floods on the Eastern Bengal Railway account for an increase of about seven lakhs in repairs. The next item is "increased maintenance charges of track on the East Indian Railway are expected to be about five lakhs". Sir, this is a statement of fact. Is this any explanation, Sir? I challenge any Honourable friend here, speaking on behalf of the Government Benches, to say "that increased maintenance charges of track on the East Indian Railway are expected to be about five lakhs" is any explanation at all. Why are these increased charges? Why are they incurred? The next explanation is: "The balance of the increase is due to the credits from the stock adjustment account being less than anticipated". Why did you anticipate more? Why was it less than anticipated?

Mr. President (The Honourable Sir Abdur Rahim): These are matters which ought to have been supplied to the Standing Finance Committee.

Mr. S. Satyamurti: I do not think the Standing Finance Committee can take the place of this House. The Standing Finance Committee are the eyes and the ears of the House for the purpose of that committee.

Mr. President (The Honourable Sir Abdur Rahim): All these matters of detail ought to be supplied to the Standing Finance Committee in the first instance.

Mr. S. Satyamurti: I want to know from any Honourable Member of the Standing Finance Committee whether these details were supplied.

Mr. F. E. James (Madras: European): I should like to answer my Honourable friend's question.

Mr. S. Satyamurti: The Honourable Member can do so after I have concluded my speech.

Out of a total demand of 24 lakhs, except seven lakhs which are put down to special repairs, there is no explanation, no full explanation or accurate information for the remaining 17 lakhs. It, therefore, does seem to me that, so far as this particular grant is concerned, the House has no option but to vote against this demand, on the ground that there has been no sufficient explanation forthcoming from the Railway Board or from anybody on behalf of the Railway Board, in order that the House may judge as to the necessity or the propriety of this expenditure. Moreover, I may

[Mr. S. Satyamurti.]

inform the House, from my experience of more than four years in the Public Accounts Committee, that Railway budgeting in this country is more or less a gamble. They put down as many crores as they want, they spend a little more or a little less as they please. They always hope to get their demands through the House. Now that the Railway Board have introduced lump sum cuts, they follow a different plan. The Railways also are now reacting to this. When they want five crores, they put down seven crores, so that with a lump sum cut of one crore, they are left with six crores, that is a crore more than what they actually want. Sir, I submit this is a vicious circle. Lump cuts will not work unless the Railway Board keep a strict watch upon the workings of the various railways as to how they budget, how they overspend or underspend. Sir, the whole point of my speech is this, that these 22 lakhs expenditure might well have been foreseen and, in respect of it, more details should have been forthcoming or should be forthcoming now. Under those circumstances, as a reminder to the Railway Board to look into this matter more carefully and to watch and control the progress of expenditure on railways, I invite the House to vote against this supplemental demand.

Mr. F. E. James: Sir, I feel that some explanation is necessary as to the precise position which the Standing Finance Committee occupies in this matter. That Committee is elected by the vote of this House and I quite agree that the Committee is in a sense the ears and the eyes of this House in the matter of control of railway expenditure. Surely if that Committee is elected by this House then this House must be prepared, at any rate, to delegate to that committee the detailed examination of all the various estimates that come before that committee. What happens precisely is this. The Committee is faced with a memorandum and in the particular case in question the memorandum is reproduced on page 62 of the proceedings of the Standing Finance Committee. That is precisely the memorandum we had. My Honourable friend, Mr. Satyamurti, should not assume that the members of the Standing Finance Committee merely had the memorandum and asked no questions and that after a moment of silent pause or silent prayer they said "we agree to this demand". Of course we ask questions. I may tell my Honourable friend, as a matter of fact he knows perfectly well, being a member of the Public Accounts Committee. I have been on the Standing Finance Committee for Railways now for a considerable number of years and I do not recollect any single case in which we asked for information and that information has not been readily forthcoming. On occasions it took time to prepare, but, eventually, it was forthcoming and we have not been denied on any occasion that I recollect any information. I suggest that if the House elects a committee to deal with these details, then, surely, the House should trust that committee. It is true that the proceedings of the Standing Finance Committee are not reported in detail as are the proceedings of the Public Accounts Committee and, therefore, the House cannot be aware of all the discussions that take place in the proceedings of the Standing Finance Committee. What happens is this. The House is presented with information that is placed before the Standing Finance Committee and, hitherto, the House has had sufficient confidence in that Standing Finance Committee, and their recommendations to adopt those recommendations, usually without very much discussion. I suggest, therefore, that there must be some confidence in the representatives of the various parties who are elected to this

Committee. I do agree with my Honourable friend, Mr. Santhanam, that we should have the fullest information possible. As a matter of fact at the last meeting of our committee we were presented with a memorandum relating to a supplementary demand and we refused to recommend that demand to be placed before the House until further information was obtained. That information is now being collected and that demand has been temporarily withdrawn. Therefore, I suggest, that if the House elects a committee the House must leave to that committee the functions of detailed examination of the various estimates and rely upon that committee in making a recommendation, to bear in mind—I know that they do bear in mind—the responsibilities which they owe to this House and the responsibility which this House has for controlling public expenditure on the railways.

Mr. President (The Honourable Sir Abdur Rahim): Before putting the question to the House, the Chair would point out that whenever a supplementary demand of this extent is made, it is but fair and, indeed, necessary that proper explanations should be given why this expenditure in excess of the original demand is incurred. It is not possible for this House to examine the details of expenditure, but it is the function of the Standing Finance Committee of this House to examine the details, and the Chair does think that in every case like this, full details ought to be supplied to the Standing Finance Committee. The Chair will now put the question.

The question is:

"That a supplementary sum not exceeding Rs. 22,30,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Maintenance of Structural Works'."

The Assembly divided:

AYES—45.

Abdul Hamid, Khan Bahadur Sir.
Aikman, Mr. A.
Aiyar, Mr. T. S. Sankars.
Ayyar, Mr. N. M.
Bajpai Sir Girja Shankar.
Bewoor, Mr. G. V.
Bhagchand Soni, Rai Bahadur Seth.
Boyle, Mr. J. D.
Buss, Mr. L. C.
Chambers, Mr. S. P.
Chanda, Mr. A. K.
Chapman-Mortimer, Mr. T.
Christie, Mr. W. H. J.
Dalal, Dr. R. D.
Gidney, Lieut.-Colonel Sir Henry.
Greer, Mr. B. R. T.
Grigg, The Honourable Sir James.
Hardman, Mr. J. S.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur Sardar Sir.
Kamaluddin Ahmed, Shams-ul-Ulema.
Kushalnath Singh, Raja Bahadur.
Lillie, Mr. C. J. W.
Mackeown, Mr. J. A.

Maxwell, The Honourable Sir Reginald.
Menon, Mr. P. A.
Menon, Mr. P. M.
Metcalfe, Sir Aubrey.
Miller, Mr. C. C.
Mukerji, Mr. Basanta Kumar.
Nur Muhammad, Khan Bahadur Shaikh.
Ogilvie, Mr. C. M. G.
Rahman, Lieut.-Col. M. A.
Rajah, Raja Sir Vasudeva.
Row, Mr. K. Sanjiva.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain Sardar Sir.
Sircar, The Honourable Sir Nripendra.
Sivaraj, Rao Sahib N.
Slade, Mr. M.
Spence, Mr. G. H.
Stewart, The Honourable Sir Thomas.
Sukthankar, Mr. Y. N.
Sundaram, Mr. V. S.
Zafarullah Khan, The Honourable Sir Muhammad.

NOES—62.

Abdoola, Haroon, Seth Haji Sir.
 Abdul Ghani, Maulvi Muhammad.
 Abdul Qaiyum, Mr.
 Abdullah, Mr. H. M.
 Abdur Rasheed Chaudhury, Maulvi.
 Aney, Mr. M. S.
 Ayyangar, Mr. M. Ananthasayanam.
 Bajoria, Babu Baijnath.
 Basu, Mr. R. N.
 Chaitra, Mr. Kuladhar.
 Chaudhury, Mr. Brojendra Narayan.
 Chettiar, Mr. T. S. Avinashilingam.
 Chetty, Mr. Sami Vencatachelam.
 Das, Mr. B.
 Datta, Mr. Akhil Chandra.
 Desai, Mr. Bhulabhai J.
 Deshmukh, Dr. G. V.
 Deshmukh, Mr. Govind V.
 Essak Sait, Mr. H. A. Sathar H.
 Fazl-i-Haq Piracha, Khan Bahadur
 Shaikh.
 Gadgil, Mr. N. V.
 Ghiasuddin, Mr. M.
 Ghulam Bhik Nairang, Syed.
 Govind Das, Seth.
 Gupta, Mr. K. S.
 Heerde, Sri K. B. Jinaraja.
 Hosmani, Mr. S. K.
 Jedhe, Mr. K. M.
 Jocendra Singh, Sirdar.
 Kailash Behari Lal, Babu.
 Lalchand Navalrai, Mr.
 Maitra, Pandit Lakshmi Kanta.

Malaviya, Pandit Krishna Kant.
 Mangal Singh, Sardar.
 Manu Subedar, Mr.
 Misra, Pandit Shambhu Dayal.
 Mudaliar, Mr. O. N. Muthuranga.
 Murtuza Sahib Bahadur, Maulvi
 Syed.
 Nauman, Mr. Muhammad.
 Paliwal, Pandit Sri Krishna Dutta.
 Pande, Mr. Badri Dutt.
 Raghunath Narayan Singh, Choudhri.
 Ramayan Prasad, Mr.
 Ranga, Prof. N. G.
 Rao, Mr. M. Thirumala.
 Raza Ali, Sir Syed.
 Saksena, Mr. Mohan Lal.
 Santhanam, Mr. K.
 Satyamurti, Mr. S.
 Shahban, Mian Ghulam Kadir
 Muhammad.
 Sham Lal, Mr.
 Sheodass Daga, Seth.
 Siddique Ali Khan, Khan Bahadur
 Nawab.
 Singh, Mr. Gauri Shankar.
 Singh, Mr. Ram Narayan.
 Sinha, Mr. Satva Narayan.
 Som, Mr. Surva Kumar.
 Sri Prakasa, Mr.
 Subharavan, Shrimati K. Radha Bai.
 Varma, Mr. B. B.
 Vamin Khan, Sir Muhammad.
 Ziauddin Ahmad, Dr. Sir.

The motion was negatived.

DEMAND No. 6B—WORKING EXPENSES—MAINTENANCE OF SUPPLY OF
 LOCOMOTIVE POWER.

Mr. T. S. Sankara Aiyar: Sir, I move:

"That a supplementary sum not exceeding Rs. 77,35,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending 31st March, 1939, in respect of 'Working Expenses—Maintenance and Supply of Locomotive Power'."

In view of the discussions which took place on the previous demand, I think I had better make some observations in moving this demand. I will first make some observations on the general financial position as we visualised it at the time of preparation of the budget for the current financial year and the actual position as it has turned out to be subsequently. The position was fully explained in the explanatory memorandum on the budget and also in the memorandum placed before the Standing Finance Committee in discussing the revised and budget estimates all of which were furnished to the Honourable Members of this House with the budget papers. But I think it would be helpful to repeat some of the explanations in brief here. At the time the budget for the current financial year was prepared, which was in January, 1938, the rise and fall in our earnings then, as compared with the previous year, 1936-37, were so fluctuating that we did not feel justified in placing our estimate of earnings for 1937-38 at as high a figure as they actually reached ultimately. Our revised estimate for the

year was Rs. 94½ crores, but the actual receipts turned out to be Rs. 95 crores—an increase of Rs. ½ crore. This meant an increase of traffic and consequent increase in the total train mileage run in the last three months of the year. In the current year too, 1938-39, there has been a further increase in the total train miles run in the efforts to combat the competition of road transport and to improve our traffic generally. This has resulted in additional consumption of coal which, according to the latest estimate, means an addition of about 20 lakhs in the cost of coal and 25 lakhs in freight charges. The effect of the spurt in traffic in the last quarter of 1937-38,—the effect in the shape of repairs to our various assets—is felt naturally only in the current year, and our working expenses in this direction have consequently gone above our original expectations. This effect is further accentuated by the effect of the additional train mileage run this year also, which I have already mentioned. There has also been a rise in the price of materials other than coal beyond what we originally anticipated. More detailed explanations are given in the proceedings of the Standing Finance Committee

Mr. S. Satyamurti: Nothing more than what you have read already. I have read it. Just look at it again!

Mr. T. S. Sankara Aiyar: The increase in the figure since the revised estimates for 1938-39 were approved by the committee in the first of the proceedings quoted, that is, when the budget was placed before them, was mainly on account of further anticipated increase in the cost of coal, based on the approximate accounts figures received up to the end of January 1939 and on the railways' latest requirements. This was explained to the committee. The increase in the demand against each railway was observed by them which is 1½ lakhs against the Eastern Bengal Railway, four lakhs against the East Indian Railway, two lakhs against the North-Western Railway, and 2½ lakhs against the Bombay, Baroda and Central India Railway. It was explained that these increases were mainly on account of the additional cost of coal. But the committee desired, if possible, that in such cases in future it should be explained in detail how the increase in the railways' requirements was caused, whether it was by increase in quantity, by alteration in sources of supply, of more costly coal than originally intended and so forth. I have undertaken to examine the possibility of collecting and giving such information. In this connection, I may say, as my Honourable friend, Mr. James, informed the House, that, whenever information was wanted by the members of the Standing Finance Committee, we always made our best endeavour to furnish them with the information; and I do not think, in fairness, a charge can be made against us that we have failed to give them the information which they wanted. I may also mention, in explaining the addition now expected on working expenses, that about a quarter of this additional expenditure, namely, about 25 lakhs, being the freight charges on coal, comes back to us as earnings on the receipt side.

In conclusion, with the permission of my Honourable friend, Mr. Satyamurti, who happens to come from the same *alma mater* as myself and who has set the example of treating this House now and then to Sanskrit quotations, I would remind him of a famous line in *Subhashita*. I do not put this forward as an argument, Sir, I only wish to make a comment if I may. The line is:

"Nahi vandhya vijanati gururam pranava vedanam."

Honourable Members: Who is the *Vandhya* here?

Mr. T. S. Sankara Aiyar: Verily, Sir, a barren woman does not know the pangs of child-birth.

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

"That a supplementary sum not exceeding Rs. 77,35,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Maintenance and Supply of Locomotive Power'."

Mr. Sri Prakasa (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): Sir, my Honourable friend opposite has said and quoted without much relevance a famous Sanskrit line saying that a woman, who has never undergone the pains of child-birth, does not know what the pains are. My Honourable friend opposite, I believe, has been delivering his maiden speech, and, at the stage of civilisation to which we have come, it is reasonable for me to ask how many child-births he has undergone, because, at least in this part of the world, maidens are not expected to have any experience of that sort. It would not have been necessary for me to speak on this motion at all, if my friend, Mr. James, had not intervened, when the earlier motion was being discussed. I take it that Mr. James was referring to this supplementary grant when he said that that was being held in abeyance pending the supply of further information. But strange to say the demand is here, and not only at the original figure of 67 lakhs odd, but with an addition of ten more lakhs: thus, the figure now stands at Rs. 77 lakhs odd.

I should like to draw the attention of the House to the proceedings of the Standing Finance Committee to which the note on this particular demand refers. On page 69 of Proceedings No. 5, it is said that the Committee agreed to a supplementary demand for Rs. 67,35,000 being placed before the Assembly in respect of the voted expenditure under this head. But in the proceedings No. 7 it is stated that the Chairman explained to the Committee at its next meeting that the demand has to be 77 lakhs and odd. It is not said whether the Committee agreed to this or not. In the earlier volume, it is definitely said that the Committee agreed that this supplementary grant should be placed before this House, but here it is said that the Chairman stated, on the information then available to him, that this additional ten lakhs were necessary, but I do not see it stated here that this was agreed to by the Committee. I do not know whether there has been a mistake or whether the matter was talked out in the Committee, because I do not belong to it, but the fact is that this matter is not stated there.

Then, Sir, my Honourable friend opposite quoted what I was myself about to quote; but evidently from the same quotation different parts of the House can come to different conclusions. The Chairman of this Committee, namely, himself, undertook to consider the feasibility of adopting the suggestion. Mr. James says that all information is readily supplied, and the department evidently, according to him, is anxious to supply all the information that is wanted. But, according to the wording of this paragraph, at page 2 of Proceedings No. 7, it is clear that the Chairman has undertaken only to consider the feasibility of adopting the suggestion of supplying information. What the result of this is going to be is yet in the womb of the future and not in the womb of the maiden.

I, therefore, strongly object to this supplementary grant, and I hope the House will throw it out as it threw out the earlier grant, and my Honourable friend will be wise to follow the example of my friend, the Finance Member, and withdraw the rest of his amendments and supplementary grants.

Mr. M. S. Aney: May I ask one question by way of information? What was the rate of coal when the budget proposals were framed and what was the rate at which they had actually to pay?

Mr. T. S. Sankara Aiyar: The increase in the cost of coal was due to the increase in the rate by about eight annas to one rupee per ton on the average, but different kinds of coal are priced at different rates. The coal supplied from railway collieries is also valued at different rates, and so we cannot exactly say on which quantities and at what rates the increase has been arrived at, but the railway administrations have details, and they must have worked out the detailed figures.

Babu Baljnath Bajoria (Marwari Association: Indian Commerce): Sir, I should like the Honourable Member to elucidate the point a little further. I would like to know what has been the total increase in cost on account of increase in price of coal or whether this increase has been due only to increase in price or also due to increase in consumption. I find, Sir, that under other headings also, for instance, in Supplementary Demand 6-D, there is mention of increased cost of coal. So I would like to know what has been the total increase in the cost of coal which the Railways had to purchase over the estimated figure, because this is a major item of the supplementary demands.

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* north Arcot: Non-Muhammdaan Rural): I think, Sir, it will be convenient if the Honourable Member were to take notes of all of the questions that will be put to him and reply to all of them together instead of replying to each Honourable Member separately.

Mr. F. E. James: Sir, I only want to make one point clear. Quite frankly, I was under the impression as a result of the Standing Finance Committee that this demand would not be brought before the House until the information had been obtained. I may have misinterpreted the Committee's final decision, but certainly that is my opinion, and I would suggest to the Honourable Member that he would be well advised to withdraw this until the information is available. Secondly, Sir, the actual wording,—I am not going into the obstetrics that have been discussed—that is not altogether a fit subject for discussion in this House,—but as far as the minutes are concerned, the responsibility for the wording of the minutes is that of the Chairman. These minutes are not submitted to the Members of the Standing Finance Committee before they are ultimately printed. All that is officially recorded at the Committee is the actual decision. But I would make two suggestions to my Honourable friend, the Member for Communications. The first is this, that it is most essential that when demands particularly for supplementary estimates are placed before the Standing Finance Committee, the fullest information should be given in the explanatory memorandum. I know I have said that whenever we have asked for information we have got it, but at the

[Mr. F. E. James.]

last meeting of the Standing Finance Committee, my friend, Mr. Santhanam, raised certain points with which I am in full agreement, and we expressed the opinion that it should not have been necessary for us to ask for that information, but that it should be in the original memorandum. Then, Sir, the second suggestion I wish to make is this,—that if we are going to have extended minutes, it would probably be as well for those minutes to be first approved by members before the Committee disperses. There should not be any real difficulty, and it is important inasmuch as the proceedings come back to this House and form the subject of discussion in this House. That would remove any misapprehensions that might exist such as have arisen in this particular case.

Mr. T. S. Sankara Aiyar: May I rise, Sir, to make an explanation?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member had better wait.

Mr. T. S. Avinashilingam Chettiar: Sir, with reference to what Mr. James just said, I may point out that in other Committees they do circulate the conclusions of the Committee to the Members and ask them if they have anything to say on the matter, and only after the Members have been consulted the proceedings are officially printed. I do not see any reason, therefore, why the same practice should not be followed in regard to the proceedings of the Standing Railway Finance Committees also.

Sir, I want to make one observation in connection with this matter. It has been said here that the cost has increased because of the increase of the total train mileage. This refers to the year ending the 31st day of March this year, but we have had information, I think, on the floor of the House itself, in the course of the discussion on the Finance Bill, that in the course of ten days of this month, there had been a fall of traffic to the extent of 47 lakhs. If the traffic has fallen by 47 lakhs, as they have told us, in the course of this month, then the train mileage must have gone low, and these estimates were probably made at a time when they could not, perhaps, foresee the fall of traffic in this month, and I do think, Sir, that calculated with the facts and figures which they have at present in their possession, this figure cannot be correct, for it is stated at page 68 of Proceedings No. 5 that: "At the time of preparation of the Budget, it was not anticipated that there would be any increase in the total train mileage in the current year as compared with the last", and so they should have calculated the figures at the rates on which they were working out the figures. I think, therefore, taking the fresh facts into consideration, this figure should be a considerably lower figure. . . .

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Will the Honourable Member tell us which are the Committees which send their minutes to the Members for approval in the first instance before they are printed finally?

Mr. S. Satyamurti: The Public Accounts Committee

Mr. Lalchand Navalrai: Not others?

Maulvi Muhammad Abdul Ghani (Tirhut Division: Muhammadan): Posts and Telegraphs.

An Honourable Member: The Standing Haj Committee.

Mr. T. S. Avinashilingam Chettiar: I think, Sir, this figure ought to be reconsidered in view of the definite fall in revenue this month, and for that purpose the motion may be withdrawn and a fresh motion may be brought forward.

Mr. S. Satyamurti: I do not know what the Honourable the Communications Member's response is going to be to the invitation extended to them by my Honourable friend, Mr. James, for withdrawing this demand. If he is going to withdraw it, we shall save a lot of time and I shall save my breath. But, as there is no response, I must ask the House respectfully to repeat its performance on the previous demand, and throw this demand also out. The last demand was for a sum of Rs. 22 lakhs, and this demand is for a small sum of 77 lakhs. The abandon with which they come for supplementary demands beats me, and the only argument he can give is the latter portion of the *sloka*, whereas the first portion of it is much more apposite, namely; *vidvaneva vijanati vidvatjana parishramam*, which means, that "only the educated man, the learned man knows the troubles of a man who has to learn". To apply his second quotation, if this is the offspring that he can bring forth, I would rather be a barren woman, than bring forth such ugly children. I would rather have the bliss of barrenness than the unhappiness of producing such children whom nobody can recognise. On this supplemental demand, what do they say?

"The revised estimate for the current year exceeds the original by 67 lakhs. At the time of the preparation of the budget, it was not anticipated that there would be any increase in the total train mileage in the current year as compared with the last."

I do not want to be a prophet. I know it is very difficult to anticipate these matters and to estimate accurately, but I think the Committee and the House are entitled to some information, why the estimate fell short, and how it happened that owing to unforeseen circumstances this train mileage was increased. Secondly, I think the Committee and the House would be very happy to get some information as to the increased earnings of these railways, on account of the increase in mileage and increase in expenditure. No doubt, we do not have to vote on it, but I think, as they do in the original budget, this House should be very pleased to get some information, approximately it may be, of the increased earnings of the railways concerned on which owing to this increased mileage we are asked to vote this extra sum. Then:

"The traffic in 1937-38 ultimately proved to be much heavier than was anticipated at the time of preparation of the budget for 1938-39."

I want to know what are the latest figures they got with regard to the previous year, when they prepared the budget. It is added:

"As the increase in repairs to locomotives arising from an increase of traffic tends to be thrown forward to the subsequent year, the cost of repairs to be done in the current year has proved to be much heavier than was originally provided for in the budget."

This is a big item, and I think the Committee and the House should know how much was the increase under this head, how many locomotives

[Mr. S. Satyamurti.]

had to be repaired, and how this increased provision is required. There is one sentence which is very intriguing.

"The provision made for the rise in price of materials, other than coal, will also, it is feared, prove inadequate."

Is "fear" going to be the basis of a demand for grant? You fear something and, therefore, there must be an additional vote of 77 lakhs! You must give some figures as to the actual rise of prices of materials before you can ask us to vote for such a large sum. Then you find:

"These considerations account for an increase of 24 lakhs. The increased train-mileage referred to above is also expected to result in increased allowances to running staff to the extent of about five lakhs."

The story does not end there. This was on the 28th and 30th January, 1939. When we come to the 20th March, 1939, we find:

"The Chairman stated that, on the information available now, the demand for Rs. 67,35,000, approved by the Committee in their meeting on the 30th January, 1939, had to be increased to Rs. 77,35,000, mainly on account of the fact that the expenditure on cost of coal, freight charges on coal and repairs to locomotives was expected to be more than previously anticipated."

I want to raise a question here. We must be given some details as to the relative apportionment of the expenditure of ten lakhs on the cost of coal, freight charges on coal and repairs to locomotives. On the coal prices, I want to tell the House one fact. We have been told in the Public Accounts Committee and elsewhere, and sometimes in this House also I think, that the railways own and work their own collieries, in order to see that colliery owners do not extract too much price from the railways of this country. I want to know, if coal prices went on increasing, why did not the railways work their own collieries and put down the prices? It seems to me that we are making a bounty of this amount to private trade, out of the taxpayer's money. I have made this point again and again in the Public Accounts Committee, and they have always assured us that they will work their collieries, whenever there is a tendency of prices to rise. I want to know from the Railway Board, why they want to increase the budget grant for paying for coal which they can produce themselves; it is a bounty to private trade which this House ought not to countenance.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member will continue his speech after Lunch.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

Mr. S. Satyamurti: Before we adjourned for Lunch, I was asking the House to reject this supplementary grant of 77 lakhs odd on the ground that the information given in this note to the Standing Finance Committee on Railways is not full, is not complete and is not up-to-date, and I was on the point with regard to the rise in prices of coal which

could have been prevented by the Government, if they had worked their own collieries to the utmost, instead of buying in the open market, and thereby giving help to private trade at the expense of the taxpayer. Moreover, this Standing Finance Committee met again on the 20th March when the Railway Board wanted an increased grant of 10 lakhs. At that meeting, the Committee, as a whole, desired that they should be furnished with more detailed explanation in such cases in future, showing the particular directions in which new and unexpected circumstances had arisen and the additional expenditure attributable to each of these special circumstances, for example the increase in the quantity of coal consumed, increase in cost owing to alteration in the originally expected supply and distribution of coal, etc. "The Chairman undertook to consider the feasibility of adopting the suggestion". Mr. James said that the Railway Board have agreed to give all the information in future. It is not so. The Chairman has merely undertaken to consider the feasibility of adopting this suggestion. Whether he will accept it or not is still a matter for the future. The House, therefore, cannot even be persuaded to vote for this supplemental demand on the ground that at least, hereafter, they will give all the information, in connection with the particular directions in which new and unexpected circumstances had arisen. That is the usual ground put forward for supplementary demands. But the committee in the first instance and the House in the next ought to be satisfied on the information placed before them that these new circumstances are really unexpected and could not have been foreseen. Then, there is no use in clubbing two or three items together. The committee naturally asked that additional expenditure attributable to each of these special circumstances may be fully explained. I suggest, Mr. President, that from all relevant points of view, this supplemental demand has not been supported with that wealth of argument and detail which will convince the House to vote for it. Then I want to say one thing more. These supplementary demands are treated by the Government in fact as excess grants. As a matter of fact, according to our rules and standing orders, supplementary demands are different from excess grants. Excess grants come in when the expenditure has been actually incurred, and then the Government come and say 'We have spent the money. Please give it to us'. As a matter of fact, this is the 25th March, and there are only six days for the year to close. The expenditure has been already incurred. I protest against this. I think this ought to come to the House much earlier, at any rate in cases in which they could have foreseen, and they ought not to compel the House to vote for expenditure already incurred under the guise of supplementary demands. For all these reasons, I ask the House to reject this supplementary grant.

Mr. K. Santhanam: First of all I want to meet Mr. James' point. Mr. James said that this was not approved by the Standing Finance Committee for Railways but I am afraid he was not quite correct, because there was no question of non-approval. Either the demand is placed before the House before the 31st March this year or it could not be placed at all. My impression is that we approved it subject to the condition that hereafter whenever such demands are put forward full explanations should be forthcoming. Secondly, Mr. James forgot that 67 lakhs had already been approved by the previous meeting of the Committee and so the whole question is with reference to the excess of ten lakhs. The second point I want to make is to draw the attention of the House to

[Mr. K. Sathnamam.]

the remarks on page 1 of the Proceedings of the Standing Finance Committee for Railways held on the 20th March, where it is said:

"One member raised the question whether, in view of the fact that the budget for 1939-40 recently passed by the Assembly had been based on the supplementary demands already approved by the Committee for 1938-39, it would be proper now to make alterations in those demands."

This is a delicate point of accounts. The whole budget was presented to the House in the middle of February. There we had three sets of figures, accounts for 1927-38, revised estimates for 1938-39 and the estimates for 1939-40. These supplementary demands are, in fact and in essence, part of the revised estimates and if they had been presented at the time when the estimates were presented, then the House would have discussed them quite easily. Now, they are practically new demands presented before the House. As a matter of fact on the basis of these supplementary demands incorporated in the demands which were sanctioned last year, we sanctioned the demands for 1939-40. In order to scrutinise them properly we must discuss them in connection with the demands for 1939-40. I raised this point in the Standing Finance Committee and I suggested that the proper way to do things was to present these demands just before the annual demands for the next year. Then the original demand and the supplementary demands put together will form the revised estimates as sanctioned by the Assembly. Now, the revised estimates are not sanctioned by the Assembly. We sanction only the original demands. The supplementary demands and the original demands together form the revised estimates and, therefore, if the Government want to be logical they must present these demands before they present the budget for next year. Then this could have been much better discussed. Now, it comes after the Finance Bill and the General Budget and we are not able to relate our minds to the original demands and discuss them in proper proportion. Again, I want to stress the point that the scope of the Standing Finance Committee seems to have been misunderstood. These estimates are based on the estimates of the several railway administrations. All of them are collated by the Railway Board and presented to the Standing Finance Committee and this House. What they can do is to ensure that the Railway Board scrutinises these figures carefully. Our point is that the Railway Board should bring to bear on these figures got from the Railway Agents their own independent judgment. Otherwise it is hardly possible for this House or the Standing Finance Committee to go into every detail of each Railway administration. If the East Indian Railway says: 'I want ten lakhs more for coal' I think no committee of this House can be in a position to find out the position. All that they can do is to ask the Railway Board "what are your own estimates? How did you scrutinise them? What is the amount of traffic it is expected to do, and what is the proportion, and did you compare the estimates and the demands of all the other Railways"? Sir, this brings me to the suggestion which I made in another speech that these budget estimates and supplementary demands and the demands for the next year should be scrutinized by the Standing Finance Committee at much greater length and in much greater detail than has been the custom hitherto. Hitherto we were allowed two days and we had to look through a mass of figures and, generally, these figures were not supplied to us in sufficient time in advance. This year, for instance, I had to come down to

Delhi and it was handed over to me in the morning and I had to attend a meeting in the afternoon. The figures were not ready before that time and it is hardly possible for any Committee to scrutinize them carefully unless they have time. Therefore, it should be made a rule that these figures should be supplied at least one week in advance to the Members and there should be at least four days for the Members to scrutinize the Budget for the Standing Finance Committee. After it was scrutinized and as soon as the railway estimates are presented to the Assembly, these supplementary demands should first be placed and then the railway Demands for next year should be placed. If that procedure be adopted, all the complaints connected with this point will disappear. Otherwise, I am afraid the same complaint will have to recur without any possibility of remedy. Therefore, I hope that all these suggestions which I have made will be adopted.

So far as the present supplementary demand is concerned, I have already said that it is part of the revised estimate. In connection with the revised estimates the point was raised that the maintenance of locomotive power is increasing and increasing without any kind of check, especially with reference to the question of repairs and maintenance. In the case of the East Indian Railway it is going up by leaps and bounds, and, therefore, there should be a searching inquiry into the relative costs of maintenance and relative cost of coal on the various Railways and I hope that as a result of these discussions they will present next year a comparative study of the consumption of coal and the maintenance of repair charges of locomotives in the various Railway Administrations for the last three or four years. I am afraid that the Railway Board themselves do not take care to study these comparative estimates and they themselves have no idea as to the relative costs of maintenance of locomotive power and repair charges on the various Railways. They do not have any chart in which these figures are tabulated, and are brought up to date at every budget meeting of the Standing Finance Committee as well as in connection with the Budget discussions in this House. We are now in the position that after the passing of the Railway Budget we forget all the figures about them and we do not know exactly where we are and what we are discussing about. Similarly, unless the members of the Railway Board bring the figures up-to-date, they too lose the thread and are not able to scrutinize the figures. I am sure that a proper investigation into this particular item will yield savings which will be considerable. I have no doubt that the cost itself is very considerable. I have no doubt that the cost itself is very considerable and the supplementary demand is naturally making us alarmed at the way the railway authorities are spending money. I hope the suggestions which I have made will be carefully considered by those in charge of the Railways.

Mr. Brojendra Narayan Chaudhury: Sir, I want to know if the cost of running special trains on the occasion of the *Ardhodaya Yoga* formed a part of this demand. If so, I should like to know why this piece of expenditure—the necessity for running a special on the occasion of the *Ardhodaya Yoga* should not have been foreseen in view of the fact that the *Yoga Day* is known according to the calendar before the beginning of the year; and, also, I would like to know how the estimates of the additional traffic for the necessary running of trains were made.

The Honourable Sir Thomas Stewart: If the Honourable Member will put down a question, I will do my best to give him such information as he wants.

Mr. Brojendra Narayan Chaudhury: I think, Sir, that the Chair has ruled that on motions like these we may ask for the necessary explanation, and it is very pertinent to ask now whether this *Ardhodaya Yoga* formed part of this expenditure. If so, why was it not foreseen beforehand? The *Yoga* took place in the month of Kartik last when there was bathing in the Ganges in Calcutta.

The Honourable Sir Thomas Stewart: I must repeat, Sir, that, in regard to a particularized question of that sort, it is a matter in respect of which I will require to have notice, and if the Honourable Member will put down his question, I shall do my best to have it answered to his satisfaction.

Mr. President (The Honourable Sir Abdur Rahim): What the Honourable Member has just now said is with reference to the information sought.

The Honourable Sir Thomas Stewart: Mr. Sankara Aiyar will give a reply to certain points raised in the course of the debate.

Mr. T. S. Sankara Aiyar: Sir, I will first touch on the point raised by my Honourable friend, Mr. James, regarding the proceedings of the last meeting of the Standing Finance Committee. I am glad that one of the members of the committee itself, Mr. Santhanam, who it was that made the suggestion, has explained the situation. Mr. James is labouring under a misapprehension. As Mr. Santhanam explained, the supplementary demand was fully approved by the Standing Finance Committee and, as the proceedings recorded will show, the Committee desired that they should be furnished with a more detailed information in such cases in the future. Subject to this rider, the whole supplementary demand was fully approved by the Standing Finance Committee. I am really surprised how Mr. James got the impression which he gave vent to, and as I have undertaken before the Standing Finance Committee, I will do my best, Sir, in examining the practicability of the suggestion, and if it is at all feasible to adopt it, we will take steps to do so.

Then my Honourable friend, Mr. Satyamurti, said that no details had been given for the increase in the supplementary demand, which was first approved by the Standing Finance Committee, the increase, namely, from Rs. 67 lakhs odd to Rs. 77 lakhs odd. Sir, in moving the motion—probably Mr. Satyamurti had not carefully attended to what I said then—I explained with regard to the difference between the supplementary demand first approved by them and the supplementary demand now proposed, that the Committee noticed the differences pertaining to each railway, *viz.*, the Eastern Bengal Railway, 1½ lakhs, East Indian Railway, 4 lakhs, North Western Railway, 2 lakhs, and the Bombay, Baroda and Central India Railway, 2½ lakhs, and I said that I had explained to the Committee that these additions related mainly to the cost of coal. And, if more minutiae were

desired, I would add that about seven lakhs related to the cost of coal and about three lakhs to repairs and freight charges.

Then, Mr. Satyamurti raised a point about the raising of coal from the railway collieries. I can assure the House that we have raised coal from our railway collieries to the extent to which we found it necessary. All the information about the raising of coal from railway collieries is given not only in one of the appendices of our annual administration report but also in the balance-sheet and accounts circulated with the budget papers to the Members of this House and also furnished to the Public Accounts Committee.

I admit, Sir, that there is some force in what Mr. Santhanam pointed out about the time of placing the supplementary demands before the House. It was he who raised the point at the last meeting of the Standing Finance Committee. The question was whether, in view of the fact that the budget for 1939-40, recently passed by the Assembly, had been based on the supplementary demands already approved by the Committee for 1938-39, it would be proper now to make alterations in those demands. He suggested that some finality should be reached in respect of the supplementary demands when the budget was presented to the Assembly, any excess occurring later in actual expenditure over the original and supplementary grants put together being dealt with in due course under the prescribed procedure. Well, Sir, as he explained, in a certain sense the passing of the budget for the next year (in this case, for 1939-40) by this House assumes that the revised estimates for 1938-39 have been tacitly approved. It is on the basis of the revised estimates that the budget estimate is prepared, and in presenting the budget to the House, we furnish them with full explanation as to the variation between the revised estimates and the actuals of the previous year, and it may be argued that the Honourable Members, while they study the budget, also study the explanations of the differences between the revised estimates and the actuals. The feasibility of the suggestion made by Mr. Santhanam will be very carefully considered by Government. Sir, I have nothing more to say.

Babu Baijnath Bajoria: Sir, I have not received a reply to my question about the cost of coal, whether it was due to the increase in quantity or the increase in price?

Mr. T. S. Sankara Aiyar: It was due both to increase in quantity and to increase in price. The increase in quantity was about two lakhs of tons in 72 lakhs.

Mr. T. S. Avinashilingam Chettiar: What about the fall of the anticipated traffic in March?

Mr. T. S. Sankara Aiyar: It is very difficult to make any prognostication just now. Our experience in the past has been that in March
3 P.M. there is very often a depression either in the first week, or in the second week, and we are just looking forward to the remaining part of the month.

Mr. Sri Prakasa: There was also my question as to whether the additional ten lakhs now demanded was also passed by the Standing Finance Committee because no information about that is given in the report.

Mr. T. S. Sankara Aiyar: Yes, Sir, it was passed.

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

"That a supplementary sum not exceeding Rs. 77,35,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Maintenance and Supply of Locomotive Power'."

The Assembly divided.

AYES—38.

Abdul Hamid; Khan Bahadur Sir.
Aikman, Mr. A.
Aiyar, Mr. T. S. Sankara.
Ayyar, Mr. N. M.
Bajpai Sir Girja Shankar.
Bewoor, Mr. G. V.
Boyle, Mr. J. D.
Buss, Mr. L. C.
Chambers, Mr. S. P.
Chanda, Mr. A. K.
Christie, Mr. W. H. J.
Dalal, Dr. R. D.
Greer, Mr. B. R. T.
Grigg, The Honourable Sir James.
Hardman, Mr. J. S.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Kamaluddin Ahmed, Shama-ul-Ulema.
Kushalpal Singh, Raja Bahadur.
Lillie, Mr. C. J. W.

Mackeown, Mr. J. A.
Maxwell, The Honourable Sir
Reginald.
Menon, Mr. P. A.
Menon, Mr. R. M.
Metcalf, Sir Aubrey.
Miller, Mr. C. C.
Mukerji, Mr. Basanta Kumar.
Nur Muhammad, Khan Bahadur
Shaikh.
Ogilvie, Mr. C. M. G.
Rahman, Lieut.-Col. M. A.
Row, Mr. K. Sanjiva.
Sher Muhammad Khan, Captain
Sardar Sir.
Sivaram, Rao Sahib N.
Slade, Mr. M.
Spence, Mr. G. H.
Stewart, The Honourable Sir Thomas.
Sukthankar, Mr. Y. N.
Sundaram, Mr. V. S.

NOES—52.

Abdul Ghani, Maulvi Muhammad.
Abdullah, Mr. H. M.
Aney, Mr. M. S.
Ayyangar, Mr. M. Ananthasayanam.
Bajoria, Babu Baijnath.
Basu, Mr. R. N.
Chaliha, Mr. Kuladhar.
Chaudhury, Mr. Brojendra Narayan.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Vencatachelam.
Das, Mr. B.
Desai, Mr. Bhulabhai J.
Desmukh, Dr. G. V.
Deshmukh, Mr. Govind V.
Essak Sait, Mr. H. A. Sathar H.
Fazl-i-Haq Piracha, Khan Bahadur
Shaikh.
Gadgil, Mr. N. V.
Ghulam Bhik Nairang, Syed.
Govind Das, Seth.
Gupta, Mr. K. S.
Hegde, Sri K. B. Jinaraja.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jovendra Singh, Sirdar.
Kailash Behari Lal, Babu.
Lahiri Chaudhury, Mr. D. K.
The motion was negatived.

Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Manu Subedar, Mr.
Misra, Pandit Shambhu Dayal.
Mudaliar, Mr. C. N. Muthuranga.
Murtuza Sahib Bahadur, Maulvi
Syed.
Paliwal, Pandit Sri Krishna Datta.
Paude, Mr. Badri Dutt.
Raghubir Narayan Singh, Choudhri.
Ramayan Prasad, Mr.
Ranga, Prof. N. G.
Saksena, Mr. Mohan Lal.
Santhanam, Mr. K.
Satyamurti, Mr. S.
Sheodass Daga, Seth.
Siddique Ali Khan, Khan Bahadur
Nawab.
Singh, Mr. Gauri Shankar.
Singh, Mr. Ram Narayan.
Sinha, Mr. Satya Narayan.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Subbarayan, Shrimati K. Radha Bai.
Varma, Mr. B. B.
Ziauddin Ahmad, Dr. Sir.

DEMAND No. 6D.—WORKING EXPENSES—MAINTENANCE AND WORKING OF FERRY STEAMERS AND HARBOURS.

Mr. T. S. Sankara Aiyar: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 1,60,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Maintenance and Working of Ferry Steamers and Harbours'."

Sir, I will just make a few remarks. The supplementary demand is required in connection with certain repairs done to two barges working in one of the ferries. The coaching and goods tariffs of the Eastern Bengal Railway show that there are ferries at the following points on the Eastern Bengal Railway:

1. Lalgola-Godagari,
2. Fulchhari-Bahadurabad,
3. Amingaon-I'andu, and
4. Khulna-Rupsa East.

The ferry at which the two barges in question are working is the Fulchhari-Bahadurabad wagon ferry. There has been some increase in traffic in this ferry owing to special measures taken, such as the withdrawing of surcharge on coal. There is a new type of wagon, now appearing in increasing numbers in use—what is called M. C. J. type of wagon—which has greater over-all length than the type previously handled with the result that the ferry barges, as originally constructed, could carry only one vehicle per line instead of two. This has entailed the uneconomical usage of the barges with the concomitant delay and additional expenditure in dealing with the increased volume of traffic offering. The widening of the barge was urgently necessary to cope with the requirements of the increased volume of traffic. The increase in traffic was anticipated but the response was much quicker than was originally expected and the widening of the barge had to be undertaken earlier than was originally anticipated. Sir, I move.

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

"That a supplementary sum not exceeding Rs. 1,60,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Maintenance and Working of Ferry Steamers and Harbours'."

Mr. Sri Prakasa: Sir, I do not know about the ferry steamers either on the Eastern Bengal Railway or the East Indian Railway but I know something of those that are used on the Bengal and North Western Railway. I have often used the ferry boats at Mokameh between Mokameh Ghat and Semaria Ghat and at Patna between Mahabenden Ghat and Paleza Ghat, and I think the conditions on these boats are most unsatisfactory. Despite the additional expenditure of Rs. 28,000 that is mentioned in this demand, I have seen no improvement in these ferry boats at these stations. Third classes in these boats are most unsatisfactory and they are almost always overcrowded. I should like to know if Government are satisfied that the expenditure has yielded adequate results. I hope that if they are not satisfied they would take steps to remedy these defects. I rise to

[Mr. Sri Prakasa.]

make these observations in order to draw pointed attention of Government to the unsatisfactory state of these ferries, and I request that the Government would do the needful in this matter.

The Honourable Sir Thomas Stewart: Sir, may I explain for the information of the Honourable Member that the extra expenses incurred on the Bengal and North Western Railway ferry was entirely on coal.

Mr. Sri Prakasa: That is why perhaps they smoke so much!

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

"That a supplementary sum not exceeding Rs. 1,60,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Maintenance and Working of Ferry Steamers and Harbours'."

The motion was adopted.

DEMAND No. 6-G.—WORKING EXPENSES—MISCELLANEOUS EXPENSES.

Mr. T. S. Sankara Aiyar: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 11,95,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Miscellaneous Expenses'."

Sir, there are a number of items in question here, and I wish to dwell on some of the more important of them. On most of the railways the increase represents the amount spent on gratuity payments. Sir, this item of gratuity payments has been the subject of some discussion in the Public Accounts Committee. Gratuity payments are always very difficult to estimate on account of the fact that sudden retirements, deaths, dismissals and other such causes cause violent changes in the estimate. At the instance of the Public Accounts Committee we took up the question with the railway administrations, examined the procedure in force on the various railways and, as a result of that examination, we have issued instructions. We considered that the procedure on certain railways gave more correct results, and we have recommended that procedure for consideration to other railway administrations.

Then with regard to the payment of gratuity to surplus staff in the workshops at Ajmer. In the Ajmer workshop on the Bombay, Baroda and Central India Railway, there were found to be about 500 surplus hands and, on account of this, the workshop had to be put on shorter working hours. But this was a hardship to the labourers at large, and the suggestion was made that, by offering attractive terms of premature retirement to some of the senior employees, this surplus could be worked out, and we could resume full working shortly. These attractive terms have been offered. We have not received a final report yet but the information is that there has been a fairly good response.

I do not think it is necessary for me to comment on the other items at this stage.

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

"That a supplementary sum not exceeding Rs. 11,95,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Miscellaneous Expenses'."

Mr. T. S. Avinashilingam Chettiar: Sir, I move:

"That this demand be reduced by Rs. One lakh."

By this motion, I wish to raise the question of the annual adjustment in respect of Religara colliery. On page 98 of the report of the Standing Finance Committee for Railways dated the 28th and 30th January this matter is dealt with. In paragraph 4 relating to this demand they say:

"The inclusion of a sum of Rs. 1 lakh being the annual adjustment in respect of the Religara-colliery which has been abandoned and the capital cost of which it has been decided to write off to revenue in twenty annual instalments."

The facts of this Religara colliery are somewhat interesting. I have not been able to get the full facts of the case but from what I am able to gather, from the report of the Public Accounts Committee in previous years, we understand that the colliery was purchased by the Government of India for about 20 lakhs. Soon after the purchase of that colliery the price of coal went down. And immediately after the price of coal went down Government found that the working of the colliery would be a dead loss. Then they wanted to get rid of the colliery and the result was a loss of 20 lakhs. This is nothing short of a scandal if I may use that word. In the course of a few months or a year, as far as I can understand, a loss of 20 lakhs was incurred; and I do not know what would have happened if it were a private agency. This resembles only another case of which I have heard and that was also done by the Government of India.

The Honourable Sir Thomas Stewart: Sir, on a point of order, is the Honourable Member discussing the actual transfer of this sum of one lakh in the present year or is he criticising the colliery policy of the Government of India some ten or fifteen years ago?

Mr. T. S. Avinashilingam Chettiar: This money is sought to be spent in the present year and I am entitled to speak of this expenditure of one lakh on this Religara colliery in the present year.

Mr. President (The Honourable Sir Abdur Rahim): Is it the contention of the Honourable Member that this colliery ought not to have been acquired by Government?

Mr. T. S. Avinashilingam Chettiar: This one lakh which is sought to be spent by Government in the present year should not be spent.

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands that the colliery was acquired some time ago, and that was approved by the House, and this sum is necessary for purposes of accounting.

The Honourable Sir Thomas Stewart: Yes, Sir; both the purchase of the colliery and its abandonment were approved by the Public Accounts Committee and the actual transaction which is included in our accounts in this supplementary demand is a mere accounting transaction. I suggest, Sir, that the Honourable Member's criticism should be confined entirely to the appropriateness of this accounting entry.

Mr. T. S. Avinashilingam Chettiar: Because the Public Accounts Committee has approved of a particular thing that does not take away the right of this House to protest against a particular procedure.

Mr. President (The Honourable Sir Abdur Rahim): The Chair understands that it is not only the Public Accounts Committee, but the House also has approved of it.

The Honourable Sir Thomas Stewart: I can say no more than that the abandonment was approved by the Public Accounts Committee.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can then discuss the question of abandonment.

Mr. T. S. Avinashilingam Chettiar: I am really surprised at the way in which they want to burke discussion by saying that this matter was brought before the Public Accounts Committee and, therefore, the House is not privileged to discuss it. Sir, after this colliery was acquired for 20 lakhs they found that it was not paying to work it and they wanted to get rid of it, and the loss to the Government of India was 20 lakhs. This is only equalled by another instance in which timber was bought by the Government of India in the Andamans for ten lakhs. The next month they found that the timber was not necessary and they sold it for five lakhs. The next month they again found that the timber was necessary and they bought the same timber again for ten lakhs. This is on record and there was a loss of ten lakhs suffered by the Government of India in the course of a month or two. Can there be any greater scandal in financial transactions than this? I do think that this method of spending public revenues is certainly to be censured. Now they have come forward to write off this 20 lakhs to revenue in twenty annual instalments. They lost 20 lakhs on this Religara colliery and this year they have brought forward one lakh to be written off to revenue.

An Honourable Member: Where is this Religara colliery?

Mr. T. S. Avinashilingam Chettiar: I do not know that, but this I know that this sort of transaction is certainly reprehensible. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Cut motion moved:

"That the demand for a supplementary grant of a sum not exceeding Rs. 11,95,000 in respect of 'Working Expenses—Miscellaneous Expenses' be reduced by Rs. one lakh."

Babu Baijnath Bajoria: Sir, my Honourable friend, Mr. Satyamurti, a few minutes ago said that railways should work their own collieries and work them more favourably and obtain coal at a competitive price than can be obtained in the market. I hope this business about the Religara colliery has opened his eyes and will answer his question.....

Mr. S. Satyamurti: They bungled the whole thing: we will do it better

Babu Baijnath Bajoria: I am coming to that. My reference to my Honourable friend was that I did not agree with his proposition at all that railways should work their own collieries and compete with the trade, because it has been found repeatedly that they cannot and have not been able to raise coal at prices lower than the open market.....

The Honourable Sir Thomas Stewart: Question.

Babu Baijnath Bajoria: I need not go into the matter further: the reason is obvious that the working cost of an average small colliery owner is much less than the cost to the Government with their highly paid staff of managers, engineers and supervisors.....

The Honourable Sir Thomas Stewart: What happened fifteen months ago?

Babu Baijnath Bajoria: 15 months ago there was a rise in the price of coal, due to abnormal demands and it lasted only a few months. But if the Honourable Member will take the statistics for the last ten years of the prices at which they have been obtaining coal from merchants, they will find that they have been making a very good bargain of it. In this very colliery they have lost 20 lakhs.....

Sir Cawasji Jehangir (Bombay City: Non-Muhammadan Urban): How much coal has he sold you?

Babu Baijnath Bajoria: I have not sold any coal. I am not a coal merchant, but I know the facts. Coal is one of the principal trades in Calcutta and I know the market rates and the price at which it is being sold. The collieries are also in a very bad state financially and so they cannot be charged that they are making abnormal profit or any profit at all by their sales to the railways. In this very transaction 20 lakhs of rupees have been lost by the railways; and I understand that there are other collieries which have either been not worked or have been lying idle and large capital has been sunk.....

Mr. N. M. Joshi (Nominated Non-Official): Why? Because Government purchase your coal?

Babu Baijnath Bajoria: Because Government made a bad bargain in purchasing these collieries.....

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not go on replying to these interruptions.

Babu Baijnath Bajoria: I think Government will be more careful in future and there will not be such a scandal as this. Sir, I support the motion.

Mr. T. S. Sankara Aiyar: Sir, I will give the history of the Religara Colliery. In 1923 the Railway Board with the approval of the Secretary of State for India acquired mining rights over a big area of land in the South Karanpura coal fields for the purpose of establishing a joint colliery for the Bombay, Baroda and Central India Railway and the Madras and Southern Mahratta Railways. The capital outlay to be shared between these two railways in the proportion of three to two was estimated to be Rs. 31½ lakhs. The cost of mining coal including royalty, interest and sinking fund charges was estimated at Rs. 4-12 a ton and compared favourably with the then prevailing market rate, whose average was Rs. 6-8 per

[Mr. T. S. Sankara Aiyar.]

ton. It was estimated that there would be a saving of about Rs. 7 lakhs a year when the colliery was fully developed. Subsequently, however, the market prices fell rapidly. In 1927, taking all railway collieries together, there appeared to be a slight danger of over-production, and the market prices had also fallen to about Rs. 4 per ton. It was decided to postpone work then for three or four years. The prices of coal falling further, it was decided in March, 1933, that notice should be given for termination of the lease, which was due under the contract, and this was done in August, 1933. In 1936 the colliery was finally and definitely relinquished, and arrangement was made with the Provincial Government to relinquish the surface rights also. The total loss incurred was about Rs. 21½ lakhs.

I want to draw the attention of the House to one aspect of the case here. If the proposed accounts adjustment between capital and revenue is not made, the first effect would be over-capitalisation, that is, about 21½ lakhs remaining at debit of capital without any corresponding assets to show therefor; and, secondly, the amount would, in the course of the next 20 years, be available for division as surplus profits, of which the railway companies would get the due share under their contracts. The railway companies have agreed to this amount being transferred from capital to revenue.

Mr. M. S. Aney: Why should it be shown as surplus profits in the account?

The Honourable Sir Thomas Stewart: The reason is this: that if this debit were not transferred from capital account to revenue account, the surplus of the railways would be so much the greater and the companies would take their share of this surplus.

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

"That the demand for a supplementary grant of a sum not exceeding Rs. 11,95,000 in respect of 'Working Expenses—Miscellaneous Expenses' be reduced by Rs. one lakh."

The motion was negatived.

Mr. S. Satyamurti: Sir, I wish to speak on the main motion. If Honourable Members turn to page 4 of the note on the Supplementary Demands for Grants, they will find the following note, and it is an intriguing sentence:

"This supplementary demand is required to meet excess expenditure as explained below in each case."

I want to know where this House stands exactly with regard to these supplementary demands. They are put forward as "supplementary demands", that is to say, for expenditure which is hereafter to be incurred, either because the budget provision has been found insufficient or because some new service has to be provided for; but, frankly and blatantly, they say it is required to meet excess expenditure. Honourable Members know that, so far as actual expenditure which has been incurred is concerned, there is another provision called "excess grant" under which the Government can come to this House and say "it is required for excess expenditure incurred, therefore, please give this excess grant". That is not

done. They come before us in the guise of supplementary demands to meet expenditure which has already been incurred, and the various items of excess expenditure are very significant—(a) more gratuity payments than anticipated: why? Was there any change of policy? (Interruption by the Honourable Sir James Grigg.) If my Honourable friend wants to say something he can get up and say it. This constant muttering is not fair.....

The Honourable Sir James Grigg: (Finance Member): Nobody has a chance to speak. You are speaking the whole time, all day.

Mr. S. Satyamurti: I will resume my seat. The Honourable Member may speak now. Why does he not speak?

The President (The Honourable Sir Abdur Rahim): The Honourable Member can go on with his speech.

Mr. S. Satyamurti: I object to this running commentary all the time sitting there.

The Honourable Sir James Grigg: What has it got to do with you? You need not listen.

Mr. President (The Honourable Sir Abdur Rahim): The Chair can only say that both sides of the House are equally guilty in this respect.

Mr. S. Satyamurti: Then, you have to apportion blame to both sides, and control both. The first item is, more gratuity payments than anticipated. I want to know why these were not anticipated. I will come to the details when I take the other book.....

Mr. F. E. James: Because of a scheme of voluntary retirement. It is in the explanation.

Mr. S. Satyamurti: I know. But I am merely reading this: increased contribution to provident fund due to admission of workshop employees to the benefits of the fund. When was the decision taken? Why was it taken after the budget of one year was passed by the House and before the budget of the next year was placed before the House for being passed? Next, payment of gratuities to the surplus staff of the Central Workshops at Ajmer under a scheme of voluntary retirement. Again, I want to know when the scheme was taken up by the Government, approved by them, and why it was given effect to in the course of the budget year?

Then, Sir, going to page 98 of the proceedings of the meeting of the Standing Finance Committee for Railways, you will find, Sir, that apart from the provision of one lakh for the collieries which the House has now discussed and disposed of, we have got the second item—payment of gratuities to the surplus staff of the Central workshops at Ajmer under a scheme of voluntary retirement, 3½ lakhs. I take the point that any scheme which involves an extra expenditure of 3½ lakhs, unless there was something very exceptional, there was no point in adopting this system during the course of the year, and saying 'you must give us a supplementary grant of 3½ lakhs'. Then No. (iii) ordinary gratuity payments

[Mr. S. Satyamurti.]

exceeding anticipations on account of unforeseen causes, 8½ lakhs. The first two items were not taken into account in the original budget, as a final decision in regard to them had not been arrived at. Sir, I join issue with the Railway Board on that matter. I feel that such items as these which require extra expenditure must be decided in time for inclusion in the next year's budget, and I say that unless there is something very exceptional which cannot wait, they cannot be given effect to during the year. The increase is partly counterbalanced by decrease in contributions to provident fund, educational grants and Health and Welfare services (2½ lakhs). I want the House to consider it. Why did they spend less money on such items as educational grants and Health and Welfare services to the tune of 2½ lakhs? It does seem to me, Sir, that this cuts right across the control of the Budget of this House, and Honourable Members should be no party to these variations of the budget proposals, and, in the absence of a fuller and more satisfactory explanation, I must oppose the demand.

Dr. Sir Ziauddin Ahmad: Sir, I just want to make one or two observations in connection with this particular demand. I do not like to repeat what my friend, Mr. Satyamurti, has said. He has already quoted from the report of the proceedings of the Standing Railway Finance Committee, but I would like to draw the attention of the House to two paragraphs at page 99 of the Report of the Railway Central Advisory Committee in connection with this demand. It is stated here:

"The Committee expressed a wish to be kept in touch with the work done by the Central Publicity Officer and with this object in view desired to be shown from time to time some of the publications issued by his office."

Then the next paragraph says:

"Attention was drawn to the fact that the amount against 'other expenses' under general administration in this demand was somewhat high, as compared with the amounts of certain other items, and the Committee suggested that the advisability of subdividing this item into two or three heads amounting to no less than Rs. 5 lakhs each, (e.g., law charges, rents, rates, taxes, etc.) should be considered."

Sir, in connection with this, I remember the account keeping of one of the Oxford undergraduates, and to which I would like to draw the attention of the Director of Finance of the Railway Board. A gentleman paid a hundred pounds to his son who was reading in Oxford and after two months asked him to submit an account. The boy submitted an account and said "a new tie 1 sh., a pair of socks 1sh. 6d., and miscellaneous and other expenses £99-17-6", and the account was complete. So the same is the case here. The Railway Board have put under miscellaneous expenditure a very substantial amount without sufficient explanation, and their accountancy is no better than the accountancy of the Oxford undergraduate when he submitted the account to his father. The Assembly and the Public Accounts Committee want to scrutinise the figures; they want to know how this £99-17-6 were spent by their son. Therefore, Sir, it is very desirable that more and fuller details should be given so as to keep the Honourable Members of this House better informed of the position. It is not enough to say 'The Railway Advisory Committee has seen it, that the President said in the Railway Finance Committee that he has scrutinised the whole thing'. It is very necessary that the Director of Railway Finance as the President of the

Railway Finance Committee ought to realise that we have also a responsibility to the taxpayer and that we ought to be satisfied about the expenditure. I think the criticism that has been offered by my friend, Mr. Satyamurti, today, is very apt, and it is very necessary that in future they ought to supply us with fuller details of their expenditure.

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

"That a supplementary sum not exceeding Rs. 11,95,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Miscellaneous Expenses'."

The motion was adopted.

DEMAND No. 6H.—WORKING EXPENSES—EXPENSES OF ELECTRICAL DEPARTMENT.

Mr. T. S. Sankara Aiyar: Sir, I move:

"That a supplementary sum not exceeding Rs. 22,90,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Expenses of Electrical Department'."

Sir, I should like to make some brief, general remarks now about this supplementary demand. Honourable Members will remember that this demand in its present form is a new demand. A considerable number of items of expenditure had to be transferred from other heads to this head. So, naturally, in estimating the expenditure under this head, considerable difficulty was experienced, and in the course of the year it has been found that the estimate originally made has proved to be an underestimate to this extent. Heavier repairs and more operating expenses than originally anticipated are now expected to be incurred on the East Indian Railway. As I have already explained, the increase is mainly due to the fact that this was a new demand and estimating under this head offered considerable difficulties.

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

"That a supplementary sum not exceeding Rs. 22,90,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Expenses of Electrical Department'."

Mr. M. S. Aney: I have listened to my Honourable friend, Mr. Sankara Aiyar, and his explanation explains nothing. All that he says is that the demand is a new one and the estimates they made have now proved to be inadequate and, therefore, they have come here with a supplementary demand for Rs. 22,90,000, or something like Rs. 23 lakhs.

The Honourable Sir Thomas Stewart: May I point out to the Honourable Member that in relation to the total grant this is something like seven per cent?

Mr. M. S. Aney: I understand that, but still the Honourable Member should realise that Rs. 23 lakhs is a very big difference, and it should be shown as to what were the items within that demand where they found that their estimates had proved wrong, and how this total of Rs. 22,90,000

[Mr. M. S. Aney.]

was made up. They must give some explanation as to how their estimates have failed in the case of certain items, or whether they have failed from beginning to end altogether. There are no attempts made at all in that direction, and it seems to be a case of hopeless miscalculation and under-estimation. It looks like that, but, anyway, the explanation ought to be more intelligible and not so vague as has been put before the House. We have committed mistakes, we want more money; that is all the explanation comes to. The House cannot be satisfied with that.

Mr. T. S. Avinashilingam Oshettiar: It will be seen from the supplementary demand itself that this money is required for heavier repairs and more operating expenses than anticipated, more repairs on account of renewal of dynamos, cells and batteries, than anticipated, more expenditure on replacement of train lighting dynamos than anticipated. The original demand itself was for three crores and fifty-three lakhs. I would like to know how much of this has been spent on dynamos, cells, batteries, etc., and also whether the Government have examined the matter whether these things can be manufactured by the railways themselves,—whether they have gone into the matter. I want to know how much they are paying annually towards these things, and whether they can introduce this industry in this country by getting expert people, if necessary, from foreign countries.

Mr. President (The Honourable Sir Abdur Rahim): That is a big question and the Honourable Member cannot discuss it now.

Prof. N. G. Ranga: Sir, for a number of years on the Public Accounts Committee we have noticed that the railways suffer from chronic bad budgeting. The Finance Member himself was very much concerned about this bad budgeting on the railways, and, in the first year, he seemed as if he was really anxious to see that lump cuts were insisted upon and the budget was improved. But now it does not show as if there had been any improvement at all. It shows as if these original estimates were off the mark by as much as seven per cent. If it is one per cent., it may be excusable, but can they possibly expect anybody to countenance this kind of bad budgeting in which they are off the mark by seven per cent.? The original estimate was Rs. three crores and fifty-three lakhs, and they find in the end that they require 23 lakhs more. At this rate, I do not know when the railway budget can be improved. They do not anticipate these things at the time of preparing their budget estimates; they simply say, they could not anticipate these things. They go to the Railway Finance Committee and then come here and say, the Railway Finance Committee have approved all the supplementary estimates and, therefore, we could not very well take them to task, and so on. Here we come and find this very bad budgeting. I want some definite explanation from the railway authorities why it is that they have failed to anticipate these repairs at the time of making their budget? It may be said they cannot anticipate anything at all. In that case they need not make any budget. They can simply say, we want so much money, we thought we needed only 20 crores, now we need 30 crores, give me ten crores more. It is a wrong procedure for the Finance Member to follow, and for the

Finance Member to try to encourage these people into this sort of monkeying is really monkeying. If the Finance Member will take this certificate for his own budget from this country to his own country, I can tell him, God save his country from such people as these. It is time that the railways were told that this would not be allowed to go on with this kind of bad budgeting any longer, and that they should try to improve their budgeting better and for that take some definite steps. It is rather unfortunate for Mr. Sankara Aiyar to bear the consequences for all the sins which were committed by his predecessor who was brought in as a super expert by this pseudo-expert, Sir James Grigg.

Mr. Sri Prakasa: Sir, I find the famous B. & N. W. Railway figuring again in this supplementary demand. I have said before in this House that the B. and N. W. Railway is known in the provinces of Bihar and the United Provinces where it mostly runs, as *Bewaquf*, *Nalayaq* and *Wahiyat* Railway. I see that Rs. 70,000 are asked for the purpose of repairs. I do not think the railway has been repaired ever since it was born, and I am rather glad that the Railway Member is going to Bihar where he will have directly to deal with that railway. This is a demand under the head "Electrical Department", for electrical fittings and so on. The electrical fittings are so bad that sometimes even in the higher classes, when the train comes to a stop at a railway station, the light also comes to a stop. I, therefore, want to know some details from the Government if they will give them, as to how this extra money has been spent and whether there has been really an improvement in the electric fittings of this railway.

Mr. K. Santhanam: There is one more point which the House should consider with reference to this supplementary grant. My Honourable friend, Prof. Ranga, complained about bad budgeting. If it is only a question of bad budgeting, I should not mind so much but I have got a suspicion that there is deliberately wrong budgeting in respect of many of the grants, because when they set out their grants in the first instance, the budgets, I feel, are subject to a far greater scrutiny than when supplementary budgets are presented. Therefore, I think the Railway Administrations deliberately put in expenditure at the lowest possible level when they budget at first but, afterwards, the Railway Board Members are busy with legislative and other work and they are passed on without proper scrutiny. I think there should be a definite percentage limit fixed by the Railway Board beyond which these supplementary demands should not be presented. I would suggest that no item of the grant should exceed one per cent. of the original budget. I think the present percentage is too high and it ought not to be allowed. They should standardise the accounts and if the railway administrations want more money, they should give satisfactory explanation to the Railway Board and also to the Standing Finance Committee and the House. Unless some such standards are evolved, these huge supplementary demands are bound to come. As I suggested, it is not merely bad budgeting and wrong estimating but more or less a method of getting demands granted without proper scrutiny.

Mr. S. Satyamurti: If Honourable Members will turn to page 5. they will find that out of 22 lakhs, two Railways get 17 lakhs—the East

[Mr. S. Satyamurti]

Indian Railway 12 lakhs and the North Western Railway five lakhs. I should like to know what the original grant was under these two railways, and how it is that one Railway, the East Indian Railway wants an extra grant of 12 lakhs, and the North Western Railway wants five lakhs. What is the percentage of this to the original grant? Has the Railway Board examined this extra demand for a grant? I particularly want the Railway Board to pursue some of the Railways who constantly come up with these large supplementary grants and to have a special control over them. I am sure the House would like to have an explanation of these large variations from the original budget.

Mr. Brojendra Narayan Chaudhury: May I draw the Honourable Member's attention to para. 4 on page 108 of the Standing Finance Committee's Report, Vol. 5. There it is stated:

"The transfer from other heads of ordinary working expenses turned out to be 12 lakhs more than was originally expected,"

and para. 5 says:

"The revised estimate includes unanticipated credits of Rs. 4,84,000."

I want to know whether there will be a corresponding saving in the 4 P.M. amount of 12 lakhs, which should now be less in view of what is stated in para. 5.

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

"That a supplementary sum not exceeding Rs. 22,90,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Working Expenses—Expenses of Electrical Department'."

The Assembly divided:

AYES—40.

Abdul Hamid, Khan Bahadur Sir.
Aikman, Mr. A.
Aiyar, Mr. T. S. Sankara.
Ayyar, Mr. N. M.
Bajpai Sir Girja Shankar.
Bewoor, Mr. G. V.
Bhagchand Soni, Rai Bahadur Seth.
Boyle, Mr. J. D.
Buas, Mr. L. C.
Chambers, Mr. S. P.
Chanda, Mr. A. K.
Christie, Mr. W. H. J.
Dalal, Dr. R. D.
Greer, Mr. B. R. T.
Grigg, The Honourable Sir James.
Hardman, Mr. J. S.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Kamaluddin Ahmed, Shams-ul Ulema.
Kushalpal Singh, Raja Bahadur.
Lillie, Mr. C. J. W.
Mackeown, Mr. J. A.

Maxwell, The Honourable Sir
Reginald.
Menon, Mr. P. A.
Menon, Mr. P. M.
Metcalf, Sir Aubrey.
Miller, Mr. C. C.
Mukerji, Mr. Basanta Kumar.
Nur Muhammad, Khan Bahadur
Shaikh.
Ogilvie, Mr. C. M. G.
Rahman, Lieut.-Col. M. A.
Row, Mr. K. Sanjiva.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain
Sardar Sir.
Sivraj. Rao Sahib N.
Slade, Mr. M.
Spence, Mr. G. H.
Stewart, The Honourable Sir Thomas.
Sukthankar, Mr. Y. N.
Sundaram, Mr. V. S.
Zafrullah Khan, The Honourable Sir
Muhammad.

NOES—50.

Abdul Ghani, Maulvi Muhammad.
 Abdullah, Mr. H. M.
 Aney, Mr. M. S.
 Ayyangar, Mr. M. Ananthasayanam.
 Basu, Mr. R. N.
 Chaliha, Mr. Kuladhar.
 Chaudhury, Mr. Brojendra Narayan.
 Chettiar, Mr. T. S. Avinashilingam.
 Chetty, Mr. Sami Vencatachalam.
 Das, Mr. B.
 Desai, Mr. Bhulabhai J.
 Deshmukh, Dr. G. V.
 Deshmukh, Mr. Govind V.
 Essak Sait, Mr. H. A. Sathar H.
 Gadgil, Mr. N. V.
 Ghiasuddin, Mr. M.
 Govind Das, Seth.
 Gupta, Mr. K. S.
 Hegde, Sri K. B. Jinaraja.
 Hosmani, Mr. S. K.
 Jedhe, Mr. K. M.
 Jogendra Singh, Sirdar.
 Kailash Beheri Lal, Babu.
 Lahiri Chaudhury, Mr. D. K.
 Lalchand Navalrai, Mr.
 Maitra, Pandit Lakshmi Kanta.

Malaviya, Pandit Krishna Kant.
 Mangal Singh, Sardar.
 Manu Subedar, Mr.
 Misra, Pandit Shambhu Dayal.
 Mudaliar, Mr. C. N. Muthuranga.
 Murtuza Sahib Bahadur, Maulvi Syed.
 Paliwal, Pandit Sri Krishna Dutta.
 Pande, Mr. Badri Dutt.
 Raghunath Narayan Singh, Choudhri.
 Ramayan Prasad, Mr.
 Ranga, Prof. N. G.
 Rao, Mr. M. Thirumala.
 Saksena, Mr. Mohan Lal.
 Santhanam, Mr. K.
 Satyamurti, Mr. S.
 Sheodass Daga, Seth.
 Siddique Ali Khan, Khan Bahadur Nawab.
 Singh, Mr. Gauri Shankar.
 Singh, Mr. Ram Narayan.
 Sinha, Mr. Satya Narayan.
 Som, Mr. Suryya Kumar.
 Sri Prakasa, Mr.
 Subbarayan, Shrimati K. Radha Bai.
 Varma, Mr. B. B.

The motion was negatived.

DEMANDS FOR SUPPLEMENTARY GRANTS.

DEMAND NO. 11—INTEREST ON DEBT AND OTHER OBLIGATIONS AND
REDUCTION OR AVOIDANCE OF DEBT.

The Honourable Sir James Grigg (Finance Member): Sir, I move:

"That a supplementary sum not exceeding Rs. 1,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Interest on Debt and other Obligations and Reduction or Avoidance of Debt'."

Sir, the explanation for this will be found on page one of the small blue volume.

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

"That a supplementary sum not exceeding Rs. 1,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Interest on Debt and other Obligations and Reduction or Avoidance of Debt'."

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, usually supplementary demands are placed before the Standing Finance Committee. For the last two years, if I remember aright, a Standing Finance Committee has not been established and so is not functioning.

The Honourable Sir James Grigg: Sir, we cannot discuss the "Standing Finance Committee" on a supplementary demand. The Honourable Member is raising the general question of the Standing Finance Committee.

Mr. President (The Honourable Sir Abdur Rahim): That cannot be done.

Mr. T. S. Avinashilingam Chettiar: Sir, I say the supplementary demands are always placed before the Standing Finance Committee before being brought before this House but that has not been done on this occasion and I am entitled to mention that.....

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can certainly point out that it ought to have been brought up before the Standing Finance Committee.

Mr. T. S. Avinashilingam Chettiar: Sir, I notice that he has said in answer to a question of mine that he has sent a circular to the Leaders of Parties over this matter. It is his business to come forward with a Resolution over that matter for the House to discuss it. With your permission, I would like to refer to one another matter. This morning, the Honourable Member Sir James Grigg said—when my friend, Prof. Ranga, made a particular statement—“what are you braying?” Sir, that is a lack of good manners.

Mr. President (The Honourable Sir Abdur Rahim): Order, Order. The Honourable Member must not refer to what has happened before.

Mr. T. S. Avinashilingam Chettiar: Sir, I want this demand to be thrown out mainly for the reason that the Honourable Member does not know how to behave, and his manners are most reprehensible (*Cries of “Shame, shame.”*)

Mr. President (The Honourable Sir Abdur Rahim): Honourable Member must not use that expression here.

Mr. T. S. Avinashilingam Chettiar: For that reason and for the other reason that I mentioned, I want that this demand should be thrown out by this House.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadian Rural): Sir, in view of the fact that there has been no Standing Finance Committee it becomes rather difficult for us to know the exact details and the reasons for making supplementary demands. Sir, I find here that the Government want one lakh of rupees for brokerage commission, etc. They themselves say that they have incurred additional expenditure of rupees two lakhs two thousand and so on. So I wish to know what was the total amount of the loan or the loans that they had floated for which they had to spend this money? What was the agency which was used for managing this debt and for which they had to spend so much money? I also want to know.....

Mr. President (The Honourable Sir Abdur Rahim): Order, order. There is too much noise in the House.

Prof. N. G. Ranga:whether they had engaged any middlemen. After all, I know that these debts are subscribed within a few hours if not within a few minutes after the lists are opened and very often they are over-subscribed and for this small service I do not know why so much money has had to be spent on the so-called business of managing this debt. I also wish to know how it is that these various people who wish to subscribe to these loans are made aware of the fact that these loans are going to be raised and lists are going to be thrown open at such and

such places. We know nothing in regard to these things because no information has been vouchsafed to us. I have some sort of shrewd suspicion that the Reserve Bank is being made use of for this particular purpose for managing this debt. If that is so, I want to know why the Railway Board is being paid so sumptuously especially in view of the so many other considerations that the Government are showing to the Reserve Bank. Then, referring to the remark that my Honourable friend, Mr. Avinashilingam Chettiar, has made in regard to the behaviour of the Honourable the Finance Member at question time, this House has learnt already.....

Mr. President (The Honourable Sir Abdur Rahim): Order, order. If any unparliamentary expression is used, it is for Honourable Members to draw the attention of the Chair to that. But the Chair cannot allow any reference to what has happened before.

Prof. N. G. Ranga: I can only say that the House has learnt not to take the Honourable the Finance Member seriously and the Honourable the Finance Member has made himself a thoroughgoing buffoon, and, therefore, it is unnecessary to pursue the matter any further. He has to his credit many more occasions when his expressions had to be expunged from the records of this House than any other Honourable Member in the same period. Therefore, it is beneath my dignity to refer to it any more.

Mr. M. S. Aney (Berar: Non-Muhammadian): Sir, I raise a point of order for your consideration. The point of order is whether it is proper for any Member, during the time when the division is going on, to approach another Member and use not only unparliamentary language, but, as was admitted by the Honourable Member himself, use a term of abuse. I ask for your ruling, Sir, whether such a conduct on the part of any Member will be parliamentary? It is not an abstract point on which I am asking your ruling, but a very undesirable incident took place in the House today in my presence. I saw Sir James Grigg approach Mr. Satyamurti immediately after the division was called, and he used some expression which I could not hear, but he himself said that it was a term of abuse. As I myself did not hear the word, I cannot repeat it. Anyhow, a respectable Member of the Treasury Benches and who is a most responsible Member of the House did go over to the other Member, who is a front Bencher and who is a Deputy Leader of the Congress Party, and did use a term which, according to him, is an abusive term. Was his conduct parliamentary?

Mr. President (The Honourable Sir Abdur Rahim): Any term of abuse is unparliamentary, but it must reach the ear of the Chair before the Chair can take notice of it. At the same time, the Chair would say that it is highly undesirable for any Member to use any abusive language to another Member within the precincts of the House.

Mr. Mohan Lal Saksena (Lucknow Division: Non-Muhammadian Rural): Supposing somebody had slapped him, what would have happened?

Mr. President (The Honourable Sir Abdur Rahim): Then, the Chair would have seen what happened. All the Chair can say is that it is very undesirable for any Member to use any abusive language about another Member in the precincts of the House.

An Honourable Member: Will he withdraw that expression now?

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot take any notice, not having heard the expression.

The question is:

"That a supplementary sum not exceeding Rs. 1,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Interest on Debt and other Obligations and Reduction or Avoidance of Debt'."

The Assembly divided:

AYES—41

Abdul Hamid, Khan Bahadur Sir.
Aikman, Mr. A.
Aiyar, Mr. T. S. Sankara.
Ayyar, Mr. N. M.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Bhagchand Soni, Rai Bahadur Seth.
Boyle, Mr. J. D.
Buss, Mr. L. C.
Chambers, Mr. S. P.
Chanda, Mr. A. K.
Christie, Mr. W. H. J.
Dalal, Dr. R. D.
Greer, Mr. B. R. T.
Grigg, The Honourable Sir James
Hardman, Mr. J. S.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Kamaluddin Ahmed, Shams-ul-Ulema.
Kushalpal Singh, Raja Bahadur.
Lillie, Mr. C. J. W.
Mackeown, Mr. J. A.

Maxwell, The Honourable Sir
Reginald.

Menon, Mr. P. A.
Menon, Mr. P. M.
Metcalfe, Sir Aubrey.
Miller, Mr. C. C.
Mukerji, Mr. Basanta Kumar.
Nur Muhammad, Khan Bahadur
Shaikh.
Ogilvie, Mr. C. M. G.
Rahman, Lieut.-Col. M. A.
Row, Mr. K. Sanjiva.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain
Sardar Sir.
Sivaraj, Rao Sahib N.
Slade, Mr. M.
Spence, Mr. G. H.
Stewart, The Honourable Sir Thomas.
Sukthankar, Mr. Y. N.
Sundaram, Mr. V. S.
Zafrullah Khan, The Honourable Sir
Muhammad.

NOES—54.

Abdul Ghani, Maulvi Muhammad.
Abdullah, Mr. H. M.
Aney, Mr. M. S.
Ayyangar, Mr. M. Ananthasayanam.
Bajoria, Babu Baijnath.
Basu, Mr. R. N.
Chaliha, Mr. Kuladhar.
Chaudhury, Mr. Brojendra Narayan.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Vencatachelam.
Das, Mr. B.
Desai, Mr. Bhulabhai J.
Deshmukh, Dr. G. V.
Deshmukh, Mr. Govind V.
Essak Sait, Mr. H. A. Sathar H.
Gadgil, Mr. N. V.
Ghiasuddin, Mr. M.
Govind Das, Seth.
Gupta, Mr. K. S.
Hegde, Sri K. B. Jinaraja.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jogendra Singh, Sirdar.
Kailash Behari Lal Babu.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Laljee, Mr. Husenbhai Abdullahai.
Maitra, Pandit Lakshmi Kanta.

Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Manu Subedar, Mr.
Misra, Pandit Shambhu Dayal.
Mudaliar, Mr. C. N. Muthuranga.
Murtuza Sahib Bahadur, Maulvi
Syed.
Paliwal, Pandit Sri Krishna Dutta.
Pande, Mr. Badri Dutt.
Raghubir Narayan Singh, Choudhri.
Ramayan Prasad, Mr.
Ranga, Prof. N. G.
Rao, Mr. M. Thirumala.
Saksena, Mr. Mohan Lal.
Sant Singh, Sardar.
Santhanam, Mr. K.
Satyamurti, Mr. S.
Sheodass Daga, Seth.
Siddique Ali Khan, Khan Bahadur
Nawab.
Singh, Mr. Gauri Shankar.
Singh, Mr. Ram Narayan.
Sinha, Mr. Satya Narayan.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Subbarayan, Shrimati K. Radha Bai.
Varma, Mr. B. B.
Ziauddin Ahmad, Dr. Sir.

The motion was negatived.

DEMAND No. 14—LEGISLATIVE ASSEMBLY AND LEGISLATIVE
ASSEMBLY DEPARTMENT.

The Honourable Sir James Grigg: Sir, I beg to move:

"That a supplementary sum not exceeding Rs. 1,05,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Legislative Assembly and Legislative Assembly Department'."

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

"That a supplementary sum not exceeding Rs. 1,05,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Legislative Assembly and Legislative Assembly Department'."

The Assembly divided:

AYES—39.

Abdul Hamid, Khan Bahadur Sir.
Aikman, Mr. A.
Aiyar, Mr. T. S. Sankara.
Ayyar, Mr. N. M.
Bajpai, Sir Girja Shankar.
Bewoor, Mr. G. V.
Boyle, Mr. J. D.
Buss, Mr. L. C.
Chambers, Mr. S. P.
Chanda, Mr. A. K.
Christie, Mr. W. H. J.
Dalal, Dr. R. D.
Greer, Mr. B. R. T.
Grigg, The Honourable Sir James.
Hardman, Mr. J. S.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Kamaluddin Ahmed, Shams-ul-Ulama.
Kushalpal Singh, Raja Bahadur.
Lillie, Mr. C. J. W.
Mackeown, Mr. J. A.

Maxwell, The Honourable Sir
Reginald.
Menon, Mr. P. A.
Menon, Mr. P. M.
Metcalf, Sir Aubrey.
Miller, Mr. C. C.
Mukerji, Mr. Basanta Kumar.
Nur Muhammad, Khan Bahadur
Shaikh.
Ogilvie, Mr. C. M. G.
Rahman, Lieut.-Col. M. A.
Row, Mr. K. Sanjiva.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain
Sardar Sir.
Sivaraj, Rao Sahib N.
Slade, Mr. M.
Spence, Mr. G. H.
Stewart, The Honourable Sir Thomas.
Sukthankar, Mr. Y. N.
Sundaram, Mr. V. S.

NOES—52.

Abdul Ghani, Maulvi Muhammad.
Aney, Mr. M. S.
Ayyangar, Mr. M. Ananthasaynam.
Basu, Mr. R. N.
Chaliha, Mr. Kuladhar.
Chaudhury, Mr. Brojendra Narayan.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Vencatachelam.
Das, Mr. B.
Desai, Mr. Bhulabhai J.
Deshmukh, Dr. G. V.
Deshmukh, Mr. Govind V.
Essak Sait, Mr. H. A. Sathar H.
Fazl-i-Haq Piraoha, Khan Bahadur
Shaikh.
Gadgil, Mr. N. V.
Ghiasuddin, Mr. M.
Govind Das, Seth.
Gupta, Mr. K. S.
Hegde, Sri K. B. Jinaraja.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jogendra Singh, Sirdar.
Kailash Behari Lal Babu.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Laljee, Mr. Husenbhai Abdullaabhai.
Maitra, Pandit Lakshmi Kanta.

Malaviya, Pandit Krishna Kant.
Mangal Singh, Sardar.
Manu Subedar, Mr.
Misra, Pandit Shambhu Dayal.
Mudaliar, Mr. C. N. Muthuranga.
Murtuza Sahib Bahadur, Maulvi
Syed.
Paliwal, Pandit Sri Krishna Dutta.
Pande, Mr. Badri Dutt.
Raghubir Narayan Singh, Choudhri.
Ramayan Prasad, Mr.
Ranga, Prof. N. G.
Rao, Mr. M. Thirumala.
Saksena, Mr. Mohan Lal.
Sant Singh, Sardar.
Santhanam, Mr. K.
Satyamurti, Mr. S.
Sheodass Daga, Seth.
Siddique Ali Khan, Khan Bahadur
Nawab.
Singh, Mr. Gauri Shankar.
Singh, Mr. Ram Narayan.
Sinha, Mr. Satya Narayan.
Som, Mr. Suryya Kumar.
Sri Prakasa, Mr.
Subbarayan, Shrimati K. Radha Bai.
Varma, Mr. B. B.

The motion was negatived.

DEMAND No. 21—DEPARTMENT OF COMMUNICATIONS.

The Honourable Sir James Grigg: Sir, I move:

"That a supplementary sum not exceeding Rs. 10,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Department of Communications'."

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

"That a supplementary sum not exceeding Rs. 10,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Department of Communications'."

Mr. Mohan Lal Saksena: Sir, just now you must have seen that the Honourable the Finance Member came to Mr. Satyamurti and offered an apology, but he did not have the. . . .

The Honourable Sir James Grigg: Sir, the Honourable Member will please allow me and Mr. Satyamurti to speak for ourselves.

I do not think this business should be conducted on a supplementary demand for the Department of Communications. The Honourable Member is entitled to enter into a discussion concerning that only.

Mr. President (The Honourable Sir Abdur Rahim): It is not right to refer to that matter now. The Chair has ruled that whatever took place was not within the hearing of the Chair, and any matter like that cannot be allowed to be discussed.

Mr. Mohan Lal Saksena: Sir, just now we have defeated two supplementary demands, not on the merits, but because of his behaviour, and so I think it is relevant that the matter should be discussed.

The Honourable Sir James Grigg: Sir, I suggest that this is not in order.

Mr. President (The Honourable Sir Abdur Rahim): Whatever motive might have actuated Honourable Members to vote in a particular way, that is not the concern of the Chair and cannot be discussed here. The Honourable Member should deal with the question on its merits.

Mr. Mohan Lal Saksena: Anyway, he did not have the courtesy or decency to withdraw it.

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

"That a supplementary sum not exceeding Rs. 10,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Department of Communications'."

The Assembly divided:

AYES—40.

Abdul Hamid, Khan Bahadur Sir.
Aikman, Mr. A.
Aiyar, Mr. T. S. Sankara.
Ayyar, Mr. N. M.
Bajpai Sir Girja Shankar,
Bewoor, Mr. G. V.
Boyle, Mr. J. D.
Buss, Mr. L. C.
Chambers, Mr. S. P.
Chanda, Mr. A. K.
Christie, Mr. W. H. J.
Dalal, Dr. R. D.
Greer, Mr. B. R. T.
Grigg, The Honourable Sir James.
Hardman, Mr. J. S.
James, Mr. F. E.
Jawahar Singh, Sardar Bahadur
Sardar Sir.
Kamaluddin Ahmed, Shams-ul-Ulema.
Kushalpal Singh, Raja Bahadur.
Lillie, Mr. C. J. W.
Mackeown, Mr. J. A.

Maxwell, The Honourable Sir
Reginald.
Menon, Mr. P. A.
Menon, Mr. P. M.
Metcalfe, Sir Aubrey.
Miller, Mr. C. C.
Mukerji, Mr. Basanta Kumar.
Nur Muhammad, Khan Bahadur
Shaikh.
Ogilvie, Mr. C. M. G.
Rahman, Lieut.-Col. M. A.
Row, Mr. K. Sanjiva.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan, Captain
Sardar Sir.
Sivaraaj, Rao Sahib N.
Slade, Mr. M.
Spence, Mr. G. H.
Stewart, The Honourable Sir Thomas.
Sukthankar, Mr. Y. N.
Sundaram, Mr. V. S.
Zafrullah Khan, The Honourable Sir
Muhammad.

NOES—48.

Aney, Mr. M. S.
Ayyangar, Mr. M. Ananthasayanam.
Bajoria, Babu Baijnath.
Basu, Mr. R. N.
Chaliha, Mr. Kuladhar.
Chaudhury, Mr. Brojendra Narayan.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Vencatachelam.
Das, Mr. B.
Desai, Mr. Bhulabhai J.
Deshmukh, Dr. G. V.
Deshmukh, Mr. Govind V.
Essak Sait, Mr. H. A. Sathar H.
Gadgil, Mr. N. V.
Govind Das, Seth.
Gupta, Mr. K. S.
Hegde, Sri K. B. Jinaraja.
Hosmani, Mr. S. K.
Jedhe, Mr. K. M.
Jogendra Singh, Sirdar.
Kailash Behari Lal Babu.
Lahiri Chaudhury, Mr. D. K.
Lalchand Navalrai, Mr.
Maitra, Pandit Lakshmi Kanta.
Malaviya, Pandit Krishna Kant.

Mangal Singh, Sardar.
Manu Subedar, Mr.
Misra, Pandit Shambhu Dayal.
Mudaliar, Mr. C. N. Muthuranga.
Murtuza Sahib Bahadur, Maulvi
Syed.
Paliwal, Pandit Sri Krishna Dutta.
Pande, Mr. Badri Dutt.
Raghubir Narayan Singh, Choudhri.
Ramayan Prasad, Mr.
Ranga, Prof. N. G.
Rao, Mr. M. Thirumala.
Saksena, Mr. Mohan Lal.
Sant Singh, Sardar.
Santhanam, Mr. K.
Satyamurti, Mr. S.
Sheodass Daga, Seth.
Singh, Mr. Gauri Shankar.
Singh, Mr. Ram Narayan.
Sinha, Mr. Satya Narayan.
Som, Mr. Surya Kumar.
Sri Prakasa, Mr.
Subbarayan, Shrimati K. Radha Bai.
Varma, Mr. B. B.

The motion was negatived.

(On a request being made for inclusion after the division had been taken.)

Mr. President (The Honourable Sir Abdur Rahim): The Chair would point out that this is not in order. There are lobbies set apart for voting. It is only as an exceptional measure that if, by some accident, any Member has not voted in the voting lobby he may be allowed to vote here.

DEMAND NO. 28—PORTS AND PILOTAGE.

The Honourable Sir James Grigg: Sir, I move:

"That a supplementary sum not exceeding Rs. 3,90,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Ports and Pilotage'."

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

"That a supplementary sum not exceeding Rs. 3,90,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Ports and Pilotage'."

Mr. T. S. Avinashlingam Chettiar: Sir, I would like to refer to the grant made to Vizagapatam Port. It is Rs. 3,90,000. This grant has been going on ever since the port was started. More than Rs. 3 crores was spent on it till 1937: after that year sums of two lakhs and three lakhs have been granted every year and this year we have a grant of Rs. 3,90,000. Questions have been put whether attempts at retrenchment have been made: to our knowledge no retrenchment has been done. There is great scope for retrenchment and every year to waste a few lakhs on this port is unimaginable. I think Government should set about finding ways and means of balancing the budget of this port and I may say, that is, Rs. 3,90,000 is in addition to the interest charges which will amount to 18 or 19 lakhs, which the Port does not pay. That being the case these grants which are made annually should be stopped and attempts should be made to balance the budget of the Port.

Babu Kailash Behari Lal (Bhagalpur, Purnea and the Sonthal Parganas: Non-Muhammadan): Sir, I beg to oppose this demand, not on the merits, because very little information is given about it, but simply because it has been put forward by a man unworthy to make the demand. . . (*Cries of "Order, order."*) Although some incident has occurred, the Chair has not taken notice. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot discuss that.

Babu Kailash Behari Lal: I am not referring to the incident. I am referring only to that portion of which you have taken no notice. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot now refer to past proceedings, and to what has happened on another occasion.

Babu Kailash Behari Lal: I am referring only to the fact that this demand has been made in an atmosphere in this House which is, of course, surcharged with some amount of heat of which even the Chair is aware. The Chair cannot say that it is not aware of the heat that is prevailing here in the House, and I only refer to that much only, that the demand has been made by an unworthy man who deserves censure for the abusive language he uttered. Sir, I oppose the demand.

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

"That a supplementary sum not exceeding Rs. 3,80,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Ports and Pilotage'."

The motion was adopted.

DEMAND No. 29—LIGHTHOUSES AND LIGHTSHIPS.

The Honourable Sir James Grigg: Sir, I move:

"That a supplementary sum not exceeding Rs. 30,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Lighthouses and Lightships'."

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

"That a supplementary sum not exceeding Rs. 30,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Lighthouses and Lightships'."

The motion was adopted.

DEMAND No. 59—MINT.

The Honourable Sir James Grigg: Sir, I move:

"That a supplementary sum not exceeding Rs. 69,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Mint'."

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

"That a supplementary sum not exceeding Rs. 69,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Mint'."

The motion was adopted.

DEMAND No. 64—MISCELLANEOUS EXPENDITURE.

The Honourable Sir James Grigg: Sir, I move:

"That a supplementary sum not exceeding Rs. 7,23,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Miscellaneous Expenditure'."

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

"That a supplementary sum not exceeding Rs. 7,23,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1939, in respect of 'Miscellaneous Expenditure'."

The motion was adopted.