

2nd March 1943

THE LEGISLATIVE ASSEMBLY DEBATES

Official Report

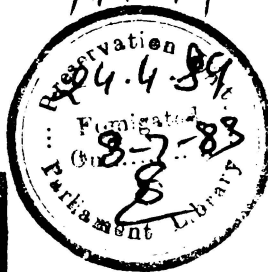
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(10th February to 2nd April, 1943)

SEVENTEENTH SESSION

OF THE

FIFTH LEGISLATIVE ASSEMBLY,
1943



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LEGISLATIVE ASSEMBLY.

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Mr. N. M. JOSHI, M.L.A.

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LEGISLATIVE ASSEMBLY

Tuesday, 2nd March, 1943.

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.

†193 *—210.*

DESIRABILITY OF APPLYING THE CONTROL OF RENT ACT TO THE NOTIFIED AREA, SHAHDARA AND DELHI.

211. *Mr. Muhammad Azhar Ali: Will the Honourable Member for Labour please state:

- (a) if it is a fact that most of the workers employed in the industrial, commercial and Government offices at Delhi reside within the Notified Area, Shahdara and Delhi;
- (b) if it is a fact that the said workers are mostly low paid staff and are in greater number than the residents of the Notified Area, Civil Station, Delhi, and the newly expanded areas of Daryaganj and Karol Bagh, Delhi, where the Control of Rent Act applies;
- (c) the reasons for not applying the Control of Rent Act to the Notified Area, Shahdara, Delhi; and
- (d) if Government propose to apply the Control of Rent Act to the residential buildings within the Notified Area, Shahdara and Delhi, if not, why not?

The Honourable Dr. B. R. Ambedkar: (a) and (b). I am prepared to take these facts from the Honourable Member.

(c) and (d). It is not administratively practicable to apply the New Delhi House Rent Control Order, 1939, to these areas, but the Punjab Urban Rent Restriction Act has been extended to them.

Mr. Lalchand Navalrai: What are the reasons for not applying the New Delhi House Rent Control Order, 1939?

The Honourable Dr. B. R. Ambedkar: Because one is more expeditious.

PRICES OF FOODSTUFFS IN SIMLA AND DELHI.

212. *Mr. Muhammad Azhar Ali: Will the Honourable Member representing the Food Department please state the prices, separately, of wheat, wheat flour, *juar* and *juar* flour, millet and millet flour, cereals, (e.g., *arhar*, *mash*; *moong*); salt, ghee, mustard oil, soft coke, charcoal, fuel wood, sugar, *chini* and *bura*, prevailing in Simla and Delhi on the 1st October, 1st November and 1st December, 1942, and 1st January and 1st February, 1943 (prices may be quoted for the same quality of articles in both places)?

Mr. K. G. Ambegaonkar: The information is not readily available and is being collected. A statement will be placed on the table as soon as the information is ready.

INSTRUCTIONS FOR USE OF MIXED WHEAT FLOUR IN DELHI.

213. *Mr. Muhammad Azhar Ali: (a) Will the Honourable Member representing the Food Department please state whether it is a fact that the Deputy Commissioner of Delhi issued instructions sometime back that anybody purchasing wheat flour must purchase an equal quantity of *juar* or millet flour?

(b) Was the underlying idea of these instructions that everyone should use wheat flour mixed with millet or *juar* flour in equal quantities?

(c) Is the Honourable Member aware that loaves of bread are still being

†For these questions and answers, see pages 664—673 of these debates.

prepared of pure wheat product? If so, what are the reasons for not applying the above instructions in the case of these loaves?

(d) Is it a fact that one of the reasons for not applying the instructions in the case of these loaves is that they are mostly used by Europeans, Americans and Anglo-Indians?

Mr. K. G. Ambegaonkar: (a) No. such instructions were issued but each licensed retailer was required to purchase sufficient maize or millet flour to make up his total supplies to three bags of flour a day and to endeavour to get his customers to accept these alternatives in place of part of their orders for wheat flour.

(b) No. A mixture of wheat and barley flour was at one time issued but this was not liked by the population and the experiment was abandoned.

(c) and (d). Do not arise.

Mr. Lalchand Navalrai: As a matter of fact, *juar* is mixed with wheat even now. Is the Honourable Member aware of it?

Mr. K. G. Ambegaonkar: If that is so, that is not on the orders of Government.

Mr. Lalchand Navalrai: Will Government please see that that is not done and the orders are carried out?

Mr. K. G. Ambegaonkar: I must ask for notice of this question.

INSTRUCTIONS FOR RETAIL PURCHASE OF WHEAT FLOUR AND SUGAR BY GOVERNMENT SERVANTS IN DELHI.

214. ***Mr. Muhammad Azhar Ali:** (a) Will the Honourable Member representing the Food Department please state if it is a fact that the Deputy Commissioner, Delhi, issued instructions some time back that the people of Delhi including persons employed in the Government of India and other offices, should purchase wheat and flour from retail shops thrice a week and that a large quantity should not be supplied at a time? Did he also issue similar instructions for the purchase of sugar?

(b) Is the Deputy Commissioner aware of the working hours of a large number of Government of India employees in Delhi?

(c) Is it not a fact that these employees have to attend office from 9-30 A.M. to about 7 P.M.?

(d) When did the Deputy Commissioner issue these and other similar restrictive instructions? Was the Deputy Commissioner aware that all provision shops were closed on Sundays and on week days they generally opened at or after 9 A.M.? If so, when did he expect the Government of India staff to make their purchases?

Mr. K. G. Ambegaonkar: (a) No instructions were issued for the purchase of wheat flour and sugar from retail shops thrice a week, but in order to ensure equitable distribution the retailers were instructed to limit the quantity sold to an individual consumer at a time.

(b) I cannot say whether the Deputy Commissioner knows the exact timings but he is fully aware that Government of India employees have to work long hours, as indeed do many other people in Delhi.

(c) The office hours in the Secretariat are generally from 10-30 A.M. to 5-30 P.M. except on Saturdays when they are from 10-30 A.M. to 1-30 P.M.

(d) These instructions were issued from time to time according to the supply position. The closure of shops on Sundays has become compulsory only since the introduction of the Punjab Trade Employees Act last December. There is no fixed time for the opening of shops. The difficulties of the Government of India employees are not different from those of any other employees.

Mr. Muhammad Azhar Ali: As regards (a), may I know whether Government also issued similar instructions for the purchase of sugar?

Mr. K. G. Ambegaonkar: No, Sir.

Mr. Lalchand Navalrai: Is it a fact that these commodities are being given by the shopkeepers on a particular day and if those commodities are not

available on that particular day the customers are not given and they are forfeited?

Mr. K. G. Ambegaonkar: I am afraid I have to ask for notice of this question.

PUBLICITY TO CONTROLLED RETAIL PRICES OF PROVISIONS IN DELHI.

215 *Mr. Muhammad Azhar Ali: (a) Will the Honourable Member representing the Food Department please state whether the controlled retail prices of provisions, etc., in Delhi are brought to the notice of the public? If so, in what manner, if not, why not?

(b) Is the Honourable Member prepared to consider the advisability of giving full publicity to the controlled prices through the medium of the press and radio? Is he also prepared to arrange to supply to all Police Stations, Health Centres, etc., a copy of the controlled price list to facilitate the spread of the information among the public?

Mr. K. G. Ambegaonkar: (a) Yes. The control prices are made available to the Press and All India Radios. They are also broadcast on the local microphone service in Delhi City. Copies of the relevant orders are also sent to the police, municipalities, notified Area Committees and the Tehsildar for wide publicity.

(b) As explained, action on the lines indicated is already being taken.

Maulana Zafar Ali Khan: May I know why are not these given to local papers?

Mr. K. G. Ambegaonkar: I am afraid I cannot reply to that question.

Mr. President (The Honourable Sir Abdur Rahim): I should like to point out to the House that the Honourable Member—Mr. Muhammad Azhar Ali—has on this list eighteen questions, while the quota of each Member is limited to five. The result might be that starred questions of other Honourable Members would be blocked in the sense that they might be misled into not giving notice of any more questions for a particular day. I hope Honourable Members will take care that other Members are not inconvenienced. Answers to the remaining questions of Mr. Azhar Ali will be laid on the table.

PRICES OF FOODSTUFFS.

†216. *Mr. Muhammad Azhar Ali: Will the Honourable Member representing the Food Department please state the price, separately, of wheat, wheat flour, *juar* and *juar* flour, millet and millet flour, cereals, (e.g., *arhar*, *mash*, *moong*), salt, *ghee*, mustard oil, soft coke, charcoal, fuel wood, sugar, *chini* and *bura*, *til* oil, washing soap, and bathing soap (prices quoted should be for the same quality of article on all dates) as they prevailed on the 1st January and 1st July of the years 1939, 1940, 1941 and 1942 and 1st January, 1943?

Mr. K. G. Ambegaonkar: It is not possible to reply to the question in the absence of particulars regarding the localities for which the prices are desired.

DIFFICULTY OF PURCHASE OF COAL BY GOVERNMENT SERVANTS IN DELHI.

†217. *Mr. Muhammad Azhar Ali: (a) Will the Honourable Member representing the Commerce Department please state the price of soft coke as it prevailed in Delhi on the 15th January and 1st February, 1943?

(b) Is there any disparity between the two rates? If so, the reasons therefor?

(c) Is he aware that coal merchants in the Gol Market area, Paharganj, etc., keep their shops closed on Sundays?

(d) Is he aware that Government staff, who have to go to office early and stay there till late hours, are unable to make purchases of coal? If so, is he prepared to arrange that these shops are not closed on Sundays but on some other day?

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

(e) Is he aware that coal merchants generally arrange to receive their stocks during night, or at such time during the day when all the staff had left for office?

(f) Is he aware that these merchants dispose of their stocks at higher prices than the controlled rates to persons who do not find time to make their purchases on week days and that such sales are all carried out in the night?

Mr. T. S. Pillay: (a) The price of soft coke on the 15th January, 1943 was Rs. four and on the 1st of February, 1943, Rs. 1/9/- per maund.

(b) The answer to the first part of the question is in the affirmative. Control over the price of soft coke was exercised with effect from the 25th January, 1943, and hence the difference in rates.

(c) Yes.

(d) Government are not aware of the difficulties alleged to be experienced by Government staff. The choices of a weekly closed day under the Punjab Trade Employees Act, 1940, as extended to the Delhi Province rests with the owner or occupier of the shop or commercial establishment. The coal merchants of the Gole Market area and Paharganj observe their closed day on Sundays.

(e) No, Sir. Government's information is that coal merchants obtain their supplies during day light.

(f) Government are not aware of the practices referred to by the Honourable Member.

SALE OF FIREWOOD ABOVE CONTROL PRICE IN PAHARGANJ, DELHI.

†218. ***Mr. Muhammad Azhar Ali:** (a) Is the Honourable Member representing the Commerce Department aware that the wood stalls situated between the Paharganj Police Station and Jhandewalan are openly selling firewood at much higher rate than that fixed by the Controller?

(b) Is he aware that no action is being taken against any of those stall-keepers? If so, why, and if not, is he prepared to make enquiries into the matter?

Mr. T. S. Pillay: (a) No, Sir. No such case has been detected.

(b) Does not arise.

SUPPLY QUOTAS OF SUGAR AND Atta DEALERS IN NEW DELHI.

†219. ***Mr. Muhammad Azhar Ali:** (a) Will the Honourable Member representing the Food Department please state whether it is a fact that the control administration in New Delhi have been asking certain dealers in New Delhi to supply sugar and/or atta to other dealers out of their quota? If so, why?

(b) Is it a fact that this quota in some cases is much less than the average sales of the dealers before control was introduced?

Mr. K. G. Ambegaonkar: (a) Yes, in a few cases only, so as to make supplies available to as many dealers as possible for the convenience of the public.

(b) Yes, because supplies were insufficient.

ALLOTTEES OF WHEAT FLOUR QUOTAS IN DELHI.

†220. ***Mr. Muhammad Azhar Ali:** (a) Will the Honourable Member representing the Food Department please state whether it is a fact that in the Delhi city fixed quotas of wheat flour were allotted to certain persons in each ward of the city?

(b) Were these persons previously dealing in provision stores and foodstuffs? If not, why were these supplies made available to them?

(c) What is the profession of such persons, say, in Paharganj, who have been given quotas of wheat flour for sale to the public?

(d) What quantity of atta was given daily to each such person?

(e) Is the Honourable Member aware that most of the people who never had a provision store business before, could not sell the quantity allotted to

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

them daily and so they sold the balance to persons who paid much higher price than those fixed by the control? Is he also aware that these stocks were sold in larger quantities at a time than was permissible under the orders?

(f) Is the practice of allotting such quotas to persons who were previously outside this sort of business, still continuing? If so, does he propose to stop this practice? If not, why not?

Mr. K. G. Ambegaonkar: (a) Allotments of wheat flour were made to licensed retailers in each ward.

(b) Yes, according to the information supplied by the applicants or the Municipal Commissioners for the ward.

(c) Their profession is retail dealers in foodgrains.

(d) From 1st September to 16th October, 1942—3 bags.

From 17th October to 14th December, 1942—2 bags.

From 15th December 1942 to 10th January, 1943—1 bag.

From 11th January to 25th February, 1943—2 bags.

(e) No such cases have been brought to the notice of the authorities.

(f) No fresh licences are being issued save in exceptional cases.

ALLEGED CORRUPTION IN THE PRICE CONTROL OFFICE, DELHI.

†221. ***Mr. Muhammad Azhar Ali:** (a) Is the Honourable Member representing the Food Department aware that the Price Control Office in Delhi issues chits or coupons for the supply of atta or sugar in the name of certain dealers, and that these coupons are actually given to other people and not to the dealers concerned?

(b) Is the Control Office doing this free of charge, or do they take some remuneration for such coupons? If the latter, what are the charges for such coupons?

(c) Is it a fact that in the matter of supply of coal similar practice is prevalent?

(d) Are Government aware of these practices, and what steps are proposed to be taken to prevent them?

(e) Are Government aware that in certain cases some dealers, in whose names coupons were issued, came to know of this fact, and created trouble in the Control Office by demanding the coupons which had been issued in their names?

(f) Is it a fact that some such coupons were traced and handed over to the dealers for whom they were actually issued, while others could not be traced as they had been disposed of finally?

Mr. K. G. Ambegaonkar: (a) The reply to the first part of the question is in the affirmative; that to the second part in the negative.

(b) No charges are made.

(c) No.

(d) Government are not aware of any such practice.

(e) No.

(f) Does not arise.

CHANGES IN CONTROLLED PRICES IN DELHI.

†222. ***Mr. Muhammad Azhar Ali:** (a) Will the Honourable Member representing the Food Department please state the exact date when control was enforced on the prices and sale of wheat and its products, sugar, charcoal and soft coke in Delhi?

(b) How many times, and on which dates, were these rates changed later?

(c) Do Government propose to state the prices fixed in the first instance and those which were fixed later when a change occurred?

(d) Do Government propose to give the reasons which led to these changes in the prices of different commodities mentioned above?

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

Mr. K. G. Ambegaonkar: (a) Control was enforced on the following dates:

Wheat—15th December, 1941.

Wheat flour—27th January, 1942.

Sugar—18th May, 1942.

Charcoal—19th August, 1941.

Soft coke—25th January, 1943.

(b) As the rates were changed very often, except for soft coke, in which case the controlled price has remained unchanged the information desired involves expenditure of time and labour incommensurate with the results to be obtained.

(c) The prices fixed in the first instance were as follows:

Wheat—Rs. 4.12 to 5.5 per maund according to quality.

Wheat flour—Rs. 5.8 to 5.12 per maund.

Sugar—Rs. 13.13.9 for first quality Daurala.

Charcoal—Rs. 2 per bag of about one maund and 10 seers.

Soft coke—Rs. 1.9 per maund.

As several changes in price have been made since the initial fixation of the rates, it is difficult to give the information asked for in the second part of the question.

(d) The controlled prices had to be revised from time to time according to changes occurring at the primary sources of supply.

PRICE CONTROL SYSTEM IN DELHI.

†223. ***Mr. Muhammad Azhar Ali:** (a) Will the Honourable Member representing the Food Department please state the system followed by the Control Authorities in Delhi in allotting atta and sugar stocks to provision merchants for sale to public?

(b) Is there any separate officer who organises the distribution of stocks in New Delhi? If so, who and what is he?

(c) Is it a fact that the dealers in New Delhi were asked to supply statistics of their average sales of atta and sugar before they were allotted a quota of these commodities?

(d) Is it a fact that no fixed percentage cut was imposed on the average sales for allotting quotas?

(e) Is it a fact that considerable disparity occurred in the fixation of quotas to dealers? If not, does the Honourable Member propose to lay on the table a statement showing the average sale figures supplied by the dealers of Gol Market and the quotas allotted to them for wheat flour and sugar, separately, since the date of the fixation of these quotas?

Mr. K. G. Ambegaonkar: (a) For the equitable distribution of the available supplies of atta and sugar among the consuming public, licences have been issued under the Foodgrains Control Order and the Delhi Sugar Dealers Licensing Order to a fixed number of retailers on the basis of population. These retail licensees are allotted atta and sugar from the wholesalers' stocks under official supervision.

(b) Yes. The President of the New Delhi Municipal Committee.

(c) Yes.

(d) The quota fixed for each dealer bore the same relation to his average sale as the total average supplies bore to the total average sales in the past. This proportion was naturally not a fixed one but varied according to the supply position.

(e) The answer to the first part of the question is in the affirmative because the average sales of different dealers in the past were unequal. The second part of the question does not arise.

QUOTA ALLOTTED TO NEW DELHI FOR WHEAT FLOUR AND SUGAR.

†224. ***Mr. Muhammad Azhar Ali:** (a) Will the Honourable Member representing the Food Department please state the quota allotted to New Delhi as a whole in respect of wheat flour and sugar by the Delhi Control Authorities at the time control was enforced?

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

- (b) What was the basis for fixing the above quota?
- (c) Was this quota ever reduced? If so, why and to what extent?
- (d) Did it again vary later? If so, to what figure and why?

Mr. K. G. Ambegaonkar: (a) Wheat flour—120 bags daily.

Sugar—65 bags daily.

(b) The quotas were fixed on the population basis according to the last census.

(c) The quota was not reduced in the case of sugar. In the case of wheat flour it varied for some time between 40 to 80 bags per day and was later fixed at 60 bags, depending on the supply position from time to time.

(d) Yes, when the supply position improved, the quota was again raised to 120 bags daily in January last.

NON-SUPPLY OF SUGAR TO PETTY DEALERS IN DELHI.

†225. ***Mr. Muhammad Azhar Ali:** Will the Honourable Member representing the Food Department please state whether the Delhi Control Authorities ruled that dealers desiring to purchase less than 8 bags of sugar should not be given any sugar at all? If so, why?

Mr. K. G. Ambegaonkar: No such order has been issued by the authorities concerned in Delhi.

RESTRICTIONS ON EXPORT OF ARTIFICIAL SILK CLOTH TO AFGHANISTAN.

226. ***Nawab Siddique Ali Khan:** Will the Honourable Member representing the Commerce Department please state:

- (a) whether any restrictions have been placed on the export of artificial silk cloth to Afghanistan; if so, when these restrictions were placed and what the nature of the said restrictions is;
- (b) whether any licence or licences have been granted for the export of artificial silk cloth to Afghanistan recently; if so, to whom such licences were granted;
- (c) whether the British subjects have been refused such licences, and if so, why; and
- (d) whether Government propose to issue such licences to British subjects in future?

Mr. T. S. Pillay: (a) A general prohibition on exports of artificial silk cloth to all destinations including Afghanistan has been in force since August 1942.

(b) A licence for the export of a small quantity of 7,624 yards of artificial silk goods to Afghanistan was granted to the Afghan Trading Company, Peshawar, in September 1942, for special reasons.

(c) Applications for export licences are ordinarily refused, irrespective of the nationality of the applicant.

(d) Does not arise.

Mr. Lalchand Navalrai: May I know if there is any restriction against silk being exported to Ceylon also?

Mr. T. S. Pillay: Yes Sir.

Mr. Lalchand Navalrai: Does the Honourable Member know that certain applications have been made to the Department by those persons who are dealing in silk for grant of permit?

Mr. T. S. Pillay: I do not know.

Maulana Zafar Ali Khan: May I know if restrictions have been imposed on export to Persia?

Mr. T. S. Pillay: I have already said that there is a general prohibition on exports to all destinations.

Dr. Sir Zia Uddin Ahmad: With reference to part (b) of the question, may I know whether licences were issued to those persons who are dealing with this business?

Mr. T. S. Pillay: I cannot say. A licence was issued for special reasons and at the request of the Government of Afghanistan.

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

Dr. Sir Zia Uddin Ahmad: Was the licence issued by the Government of India at the suggestion of the Afghan Government?

Mr. T. S. Pillay: It was issued at the request of that Government.

Dr. Sir Zia Uddin Ahmad: Who determines the names of persons to whom licences have to be issued and who selects the persons to whom they are to be given?

Mr. T. S. Pillay: Actually selection is made by the Government of India.

Dr. Sir Zia Uddin Ahmad: Whether these licences were issued to those persons who had been carrying on trade?

Mr. T. S. Pillay: I require notice.

Dr. Sir Zia Uddin Ahmad: Whether you take into consideration old licencees or only new applicants?

Mr. T. S. Pillay: I cannot reply to that question from the information on the file here. The general policy is that we take into account those who have been in this trade in addition to those who seek licence for the first time.

Dr. Sir Zia Uddin Ahmad: This is a question of policy. My Honourable friend must be familiar with it. May I know whether the policy is to issue licences to persons who have already been carrying on trade or to new persons?

Mr. T. S. Pillay: I have said that that is the general policy.

Mr. Lalchand Navarai: What are the reasons for the restriction of this silk export? Is it that silk is used for war purposes or for any other purpose on account of which this export is stopped?

Mr. T. S. Pillay: Almost all the artificial silk cloth is imported into India and owing to shortage in supply, we do not generally allow exports.

INQUIRY *re* PILGRIMS TO IRAQ AND IRAN.

+227. ***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Will the Honourable Member representing the Indians Overseas Department kindly state whether his predecessor, Sir Girja Shankar Bajpai, in his speech on the resolution regarding the appointment of a Pilgrim Officer in the Secretariat promised that the temporary officer appointed by Government would be entrusted with the task of inquiring into the matters relating to pilgrims proceeding from India to Hedjaz, Iraq and Iran? If so, why has no reference been made in the Special Haj Inquiry Report about pilgrims proceeding to Iraq and Iran?

(b) Has the author submitted a separate report on the subject? If not, do Government propose to hold a separate inquiry in regard to such pilgrims?

Mr. A. V. Pai: (a) Sir Girja Shankar Bajpai did not give any such promise, but Mr. Tyson did refer to the matter. The Honourable Member will appreciate that the purpose of the enquiry was to ascertain what improvements might be required in the regulation of the Haj pilgrimage and that the discussion in this House on the 6th November, 1940 related only to the Haj. The Special Officer therefore concentrated his attention on the problems arising from the sea pilgrimage to the Hedjaz.

(b) No report has been submitted on the subject of the pilgrimage to Iraq and Iran. Nor does any report seem to be called for. The Government of India have received no representations to the effect that pilgrims to the holy places in these countries experience serious difficulties. The Indian Vice-Consul at Baghdad is particularly charged with the care of pilgrims to the shrines of Kerbela and Nejef, while the Indian Attache at the Consulate General, Khorasan performs similar duties with regard to pilgrims to the shrine at Meshed.

HOUSE RENT CONTROL CASES IN NEW DELHI.

+228. ***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** Will the Honourable the Labour Member please state:

(a) the number of cases decided by the Rent Controller, New Delhi, regarding the extension of tenancy of houses in New Delhi in 1942;

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

- (b) whether there were cases in which the landlords applied that they required the houses for their own use;
- (c) if the answer to (b) be in the affirmative, how many applications from the landlords were rejected and how many accepted; and
- (d) if it is a fact that the rejection of such applications operated harshly against the landlords and is against the intention of the Rent Control Order; if so, whether the Honourable Member for Labour proposes to enquire into such cases and to revise the decisions of the Rent Controller, where necessary?

The Honourable Dr. B. R. Ambedkar: The information asked for is not readily available and its collection would involve an amount of time and labour that would not be justifiable in war time.

HOUSE RENT CONTROL CASES IN NEW DELHI.

+229. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: Will the Honourable the Labour Member please state:

- (a) the number of cases for the fixation of rent for houses in New Delhi which were decided by the Rent Controller, New Delhi, in 1942;
- (b) in how many cases were the landlords asked to submit their objections;
- (c) why the landlords were not summoned in other cases; and
- (d) whether the Honourable Member proposes to instruct the Rent Controller to summon landlords in cases referred to in (c)?

The Honourable Dr. B. R. Ambedkar: (a) 534.

(b) to (c). The information asked for is not readily available and its collection would take an amount of time and labour that would not be justifiable in war time.

(d) The Controller summons the landlords in all cases where it is necessary to do so for the purpose of determining properly the matters on which he has to adjudicate, and no special instructions are necessary.

HOUSE RENT CONTROL CASES IN NEW DELHI.

+230. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: Will the Honourable the Labour Member please state:

- (a) whether the cases for the extension of tenancy were actually heard during 1942 in New Delhi, by Mr. Jones, late Rent Controller, but decisions were given by his successor without hearing the parties concerned; if so, what is the number of such cases; and
- (b) whether he proposes to appoint an officer to re-examine such cases?

The Honourable Dr. B. R. Ambedkar: (a) No; the latter part of the question does not arise.

(b) Does not arise.

DESIRABILITY OF EXTENSION OF THE PUNJAB RENT RESTRICTIONS ACT TO ENTIRE DELHI PROVINCE.

+231. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: Will the Honourable the Labour Member please state:

- (a) whether the Punjab Rent Restrictions Act has been applied to some parts of the Delhi Province;
- (b) if it is a fact that the areas covered by the Rent Control Order have been excluded from the operation of that Act; and
- (c) whether the Honourable Member proposes to withdraw the Rent Control Order and advise Government to extend the application of the said Act to those areas also; if not, why not?

The Honourable Dr. B. R. Ambedkar: (a) and (b). Yes.

(c) No. The Rent Control Order provides a speedy method of determining the fair rent of a house not provided for by the Punjab Act and I do not see any reason for withdrawing the Order.

†232. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Is the Honourable the Labour Member aware that in 1940 the rents of private properties in Simla were reduced considerably owing to the retention of the Civil Departments of the Government of India in Delhi and that a large number of houses remained vacant or were leased on a nominal rent by the landlords concerned during the course of that year? If so, do Government propose not to determine the rents for that year as basic rents under the Rent Control Order?

(b) Is the Honourable Member aware that the cost of repairs has gone up very high and that the Punjab Government have imposed a new tax of $7\frac{1}{2}$ per cent. on the property under a new Act?

(c) Are Government aware that the landlords in Simla are suffering financially from the restrictions imposed by the Government concerned in one way or the other?

(d) Does the Honourable Member propose to amend the House Control Order for Simla, so as to determine the rents for 1939 as basic rents plus 25 per cent. on account of the increased cost of repairs or alternatively to withdraw the Rent Control Order and to apply the Punjab Rent Restrictions Act instead? If not, why not?

The Honourable Dr. B. R. Ambedkar: (a) Rents at the beginning of 1940 were lower than in 1939 when landlords had raised rents to an unreasonably high figure. Houses were not, however, rented at nominal rents in 1940, and the Government of India considered that the rents of 1940 were fair rents to take as basic rents under the Rent Control Order.

(b) Yes.

(c) Landlords are not suffering financially from the restrictions imposed upon them by Government but they are prevented from making more than reasonable profit on their properties.

(d) No; the Rent Control Order is an emergency measure designed to expedite decision regarding rents of houses. If Punjab Urban Rent Restriction Act is enforced instead, the tenants will have to seek redress in the Civil Courts which will not only be expensive but will take a long time to arrive at a decision.

PARTICIPATION OF THE SCINDIA STEAM NAVIGATION COMPANY IN HAJ PILGRIM TRAFFIC.

†233. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Is the Honourable Member representing the Indians Overseas Department aware that Muslims in general and pilgrims in particular welcomed the participation of the Scindia Steam Navigation Company in the pilgrim trade?

(b) Is it a fact that as a result of their participation the conditions of travel were improved but the other rival company started rate cutting in fares so as to oust the Scindia Steam Navigation Company from the field?

(c) Has the Honourable Member noticed that no recommendations have been made on this matter in the Special Haj Inquiry Report?

(d) Have Government agreed to solve the problem of rate cutting between the two companies in future?

Mr. A. V. Pai: (a) Government are aware of the opinions expressed by Port Haj Committees and certain Muslim representatives.

(b) It would not be correct to make a general statement that conditions of travel improved, but there has been an improvement in the food supplied. Government are not aware which of the rival Companies started the rate-war.

(c) Yes.

(d) Government will do all they can to prevent rate-cutting, should it appear likely in future.

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

ALLOTMENT OF CENTRAL GOVERNMENT EMPLOYEES' QUARTERS TO STAFF OF LOCAL SCHOOLS, ETC.

†234. ***Mr. Muhammad Azhar Ali:** (a) Will the Honourable Member for Labour please state if he is aware of the fact that the Public Works Department quarters specially built for the Central Government employees are allotted to the staff of the local schools and courts in preference to the Central Government servants of certain Departments?

(b) Is he aware that the purely temporary staff of the so-called "entitled offices" is given preference over the permanent staff of other offices who are drawing higher salaries notwithstanding the loss of revenue to Government?

(c) Is it a fact that sister offices of the same Department are treated differently?

(d) Is it a fact that the Railway Clearing Accounts Office was treated as non-entitled but that decision has since been changed?

(e) Does the Honourable Member propose to review the position and take steps to treat all the Central Government offices alike?

The Honourable Dr. B. R. Ambedkar: (a) These quarters are meant for employees of the Central Government and of the Local Administration of Delhi posted in New Delhi and Delhi and may be allotted to such employees working in Schools and Courts.

(b) I am prepared to accept that the operation of the rules may have led to the result suggested by the Honourable Member.

(c) A more liberal interpretation of the rules regarding offices entitled to this accommodation has recently been adopted and it is possible that as a result there may be some anomalies.

(d) Yes.

(e) I am prepared to examine the case of any particular office brought to my notice, but do not propose to undertake a general review.

PROMOTION OF CLERKS IN THE IMPERIAL RECORD DEPARTMENT.

†235. ***Mr. Muhammad Azhar Ali:** (a) Will the Secretary for Education, Health and Lands please state whether non-graduates holding the lowest clerical grade posts in the Government of India and its attached offices are eligible for promotion to the second division and even to the first division and above, subject, of course, to consideration of merit and seniority?

(b) Is it a fact that it has been decided lately that only graduates will be appointed to second division posts (the name of which has now been changed to Junior Technical Assistantship) in the Imperial Record Department and that this decision will not only apply to the new entrants but even to non-graduates already holding permanent clerical posts in that office? If so, has this exception been made in the case of this particular office with the approval of the Home Department of the Government of India?

(c) What are the reasons for such a decision to apply to only a particular office? If this procedure which has been adopted for this particular office be on the ground that graduates are more suited to the second division posts, will the graduate clerks who thus got the benefit of promotion to the second division be assigned different duties from what they were performing prior to their promotion to the second division? If not, why not?

(d) Does the Honourable Member propose to consider the desirability of removing the anomaly at an early date?

(e) Is the Honourable Member aware that the non-graduate clerks of the Imperial Record Department who have been debarred permanently from promotion are not allowed even to apply for vacancies in other Government offices and that the application of an Assistant for an Emergency Commission (active service) has also been withheld by the Keeper of the Records?

(f) Is he aware that in other offices generally the staff is allowed to take up appointments in newly created and other offices? If so, why has the Keeper of

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

Imperial Records made it a point not to forward applications of the clerks of his office? Does he propose to state why has an exception been made in the case of clerks of this office?

Mr. J. D. Tyson: (a) There is no bar to non-graduate clerks as such being promoted to a higher division provided they are otherwise eligible for such promotion under the rules.

(b) and (c). The Government of India have recently decided to attach greater importance to the historical and cultural aspect of the work of the Imperial Record Department and to improve the facilities afforded by that Department to research scholars. For this purpose they have sanctioned a scheme for the reorganisation of the staff of the Department designed to give the Keeper of Records, who is a distinguished scholar, the assistance of men qualified to undertake historical research. It is not correct to say that the Second Division posts of the Department are now termed Junior Technical Assistants' posts. The classification of First Division and Second Division does not exist in this office. Prior to the recent reorganisation there were Assistants, mainly for technical work, and clerks, mainly for office and routine work. The Assistants have been absorbed in the new grades of Senior and Junior Technical Assistants. 20 per cent. of vacancies in the grade of Junior Technical Assistants are to be filled by promotion from among those clerks who possess the minimum qualification of a degree, with proficiency in English or History. The intention also is to relax the minimum qualification in exceptional cases, on the basis of merit. I should add that the office of the Imperial Record Department is a subordinate, not an attached, office and recruitment to the office establishment is not made through the Home Department.

(d) Does not arise.

(e) No. As a matter of fact as many as 18 applications from members of the staff of the Imperial Record Department have been forwarded during the past two years to other offices by the Keeper of Records. Two of these were for emergency commissions. A third applicant did not press his application.

(f) Does not arise in view of the reply given to part (e).

PROVINCIAL RECRUITMENT OF ASSISTANTS AND CLERKS IN THE IMPERIAL RECORD DEPARTMENT.

†236. ***Mr. Muhammad Azhar Ali:** Will the Secretary for Education, Health and Lands please state the number of Technical Assistants and other Assistants and clerks recruited from each province in the Imperial Record Department during the course of the last year?

Mr. J. D. Tyson: Four from Bengal, two from the United Provinces, six from the Punjab, one from Ajmer-Merwara and one from Delhi.

TRANSFERRED STARRED QUESTIONS AND ANSWERS†.

WRITTEN ANSWERS.

PAUCITY OF MUSLIM SUPERINTENDENTS, ETC., IN THE POSTS AND TELEGRAPHS DIRECTORATE.

193. ***Maulvi Syed Murtuza Sahib Bahadur:** (a) Will the Secretary of the Posts and Air Department please state the number and percentage of Muslims on the permanent strength of the following cadres in the Posts and Telegraphs Directorate on 1st January, 1942:

- | | |
|---|------------------------|
| (i) Superintendents including the Chief Superintendent; | (iii) Accountants; and |
| (ii) Assistants; | (iv) Stenographers? |

(b) Is it a fact that promotion to the cadres in (i) and (ii) above is made on the basis of selection? If so, how many selections have so far been made since 1938 in each of the cadres? Will the Honourable Member please state the communities of the officials promoted from the third division to the second

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

‡The question hour of the 1st March, 1943, having been eliminated owing to the adjournment of the House without transacting any business, the answers to starred questions for that date were, in pursuance of Convention, laid on the table of the House today—*Ed. of D.*

division and from the second division to the Assistants' cadre and from that cadre to that of Superintendent's cadre by selection?

(c) Is it a fact that no Muslim has ever been selected for the post of a Superintendent in the Director General's Office? If so, why? What steps have been taken to improve the position of Muslims in this cadre? If no steps have so far been taken, does he propose to take urgent appropriate measures now to redeem the position to some extent? If not, why not?

(d) Is it a fact that senior elderly non-Muslims as well as certain superannuated Assistants and Superintendents are being kept on and even re-employed, thus depriving young and deserving officials in the lower grades from getting promotions? In this connection, does the Honourable Member propose to give the ages and communities of all the Superintendents, Chief Superintendents, and Assistants who have been granted extensions or re-employed since 1939? What were the reasons for their retention in service beyond the age of superannuation?

(e) Are the duties of Assistants and second division clerks in the Directorate interchangeable? If so, why is it necessary to make selections from among the second division clerks for their promotion to Assistants instead of giving promotions according to the well-established principle of seniority-cum-fitness?

(f) Since when has the cadre of Assistants been declared as a selection cadre? Is it a fact that in certain very recent selections, senior Muslim second division clerks who were declared fit for promotion to the first division were superseded by very junior non-Muslim clerks? Has any Muslim been allowed to supersede non-Muslims? If not, why not?

(g) How do Government justify these supersessions of senior Muslim clerks especially when there is a paucity of Muslims in the Assistants' cadre?

(h) Is it a fact that direct recruitment to the cadre of Assistants has long been suspended in the Directorate and that this has resulted in a deterioration of Muslim representation in that cadre? If so, what steps have been taken or are proposed to be taken to ensure that there is no further deterioration of the Muslim ratio and that the recent supersessions of Muslims are set aside?

Sir Gurnath Bewoor: (a) (i) Nil.

(ii) Number seven, and percentage 14.

(iii) All officials working as Accountants on 1st January, 1942 were borrowed from the Audit and Accounts Department, except one permanent official of the Posts and Telegraphs Department who is a Hindu.

(iv) Number one, and percentage 11.

(b) The reply to the first part is in the affirmative. So far, selections have been made on three occasions for promotion to the superintendents' cadre and on four occasions to the Assistants cadre. I lay on the Table a statement giving the information required by the Honourable Member in the last portion of this part of his question.

(c) It is not a fact that no Muslim has ever been selected. The second part does not arise. As regards the rest of the question, as the posts of Superintendents are filled entirely by departmental promotions, the rules relating to recruitment on communal basis do not apply.

(d) No extensions of service have been granted, but four retired superintendents and three retired Assistants, all Hindus, have been re-employed, after retirement, in temporary posts which have been created to cope with the increase of work due to the war. Their ages are between 55 and 59. Only one of these is employed as a Superintendent and the rest were employed as Assistants, Second Division or Third Division clerks. One of these has since left service.

(e) The reply to the first part is in the negative. The latter part does not arise.

(f) As regards the first part, the reply is—since 1930. As regards the rest of the question, promotion to the Assistants' cadre being on the principle of pure selection, no question of supersession arises.

(g) Does not arise, in view of the reply given to part (f) above.

(h) Direct recruitment to the cadre of Assistants in the office of the Director General of Posts and Telegraphs has been temporarily suspended on account of the existence of supernumeraries in that cadre. In view of this, no action is proposed to be taken.

List of Officials in the D. G.'s Office promoted from one Cadre to another.

	Hindus.	Muslims.	Other minority communities.
Promoted from III to II Division	10	5	2
Promoted from II to Asstt. . .	14	2	..
Promoted from Asstt. to Supdt. .	14

ACCELERATED PROMOTIONS IN THE POSTS AND AIR DEPARTMENT

194. *Maulvi Syed Murtuza Sahib Bahadur: (a) Will the Secretary for the Posts and Air Department please state if it is a fact that certain third division non-Muslim clerks were given accelerated promotions to the second division in 1938 and since then to the Assistants' cadre?

(b) Is it also a fact that these very officials were promoted *en bloc* to the second division just before the arrival of direct recruits to the Posts and Telegraphs Directorate?

(c) On what principles was the seniority of departmental men and direct recruits fixed?

(d) Is it a fact that the seniority of these officials has been fixed and re-fixed several times and was finally fixed to the disadvantage of the direct recruits who embrace a number of Muslims?

(e) Is it a fact that this has resulted in aggravating the already deteriorating position of Muslim clerks in regard to their chances of promotion to the Assistants' cadre?

(f) Is it a fact that in giving accelerated promotions to the departmental men referred to in part (a) above, the department overlooked the rights of Muslim senior clerks as well as the Government rules prescribing definite percentages for promotion of departmental men and direct recruits in the Assistants' cadre?

(g) In view of the absence of direct recruitment to the Assistants' cadre in the Directorate, does the Honourable Member consider the desirability of giving Muslim and other minority communities officials accelerated promotions to that cadre? If not, why not? Does he propose in this connection to set aside the supersessions of Muslims, if any?

Sir Gurunath Bewoor: (a) A certain number of Third Division clerks, including Muslims, were promoted to the Second Division as part of the re-organisation scheme of the Posts and Telegraphs Directorate in 1938; a few of them have since been promoted to the Assistants' cadre according to the rules on the subject.

(b) Does not arise, in view of the reply to part (a) above.

(c) The seniority of direct recruits in relation to promoted departmental officials was examined by Government taking into consideration all the circumstances created by the re-organisation of 1938, and it was finally decided that one promoted departmental official should be placed after every two direct recruits, as being fair to all concerned.

(d) The seniority was re-fixed twice but the position of Muslims was in no way affected differently from that of officials of other communities.

(e) Does not arise, in view of the reply to part (d) above.

(f) As no accelerated promotion was given to the departmental officials referred to in part (a), the question does not arise.

(g) No, as promotions are made by pure selection and are not based on communal considerations.

OFFICIALS IN THE POSTS AND TELEGRAPHS DIRECTORATE SPARED FOR OUTSIDE PROMOTION.

195. *Maulvi Syed Murtaza Sahib Bahadur: (a) Will the Secretary of the Posts and Air Department please state the communities and cadres of the officials in the Posts and Telegraphs Directorate who have been spared by the Directorate for promotions outside the department since 1939?

(b) Is it a fact that Muslims have been discriminated even in this matter and were not allowed to go out in the interests of efficiency of the department while quite senior non-Muslims were spared?

Sir Gurunath Bewoor: (a) (1) Assistants: Muslims—two; Hindus—two;

(2) Second Division Clerks: Anglo-Indian—one; Hindu—one. (8) Stenographers: Hindu—one.

(b) No.

PAUCITY OF MUSLIM WIRELESS OPERATORS AND ENGINEERING SUPERVISORS.

196. *Maulvi Syed Murtaza Sahib Bahadur: (a) Will the Secretary of the Posts and Air Department please state the number and percentage of Muslim recruits to the cadres of Wireless Operators and Engineering Supervisors since 1938, separately for each year?

(b) What steps have been taken to secure a larger number of Muslims? If none, why?

(c) Is it a fact that in the recent recruitment to a similar cadre, viz., Career-Attendants for which the same educational qualifications are required, Muslims have been able to secure their full quota of reservations? Does the Honourable Member propose to see that a similar mode of recruitment to the cadre of Engineering Supervisors and Wireless Operators is adopted? If not, why not?

Sir Gurunath Bewoor: (a) I lay on the table a statement giving the information required by the Honourable Member.

(b) The examinations as well as the notices calling for applications are widely advertised in the public press. Heads of leading Muslim educational institutions have also been addressed on the subject in order to secure more Muslim candidates with suitable qualifications. Further, the percentage of marks prescribed for qualifying in the competitive examination has been successively reduced in order to enable more candidates of the minority communities to qualify.

(c) It is a fact that in the recent recruitment of candidates to the purely temporary posts of Carrier attendants, sufficient Muslim candidates applied and secured their full quota of reservations. It must, however, be made clear that as the candidates were required urgently, it was decided to recruit without holding, as usual, an open competitive examination. It is not proposed to adopt a similar method in connection with the recruitment to the cadre of Engineering Supervisors and Wireless Operators where the nature of work, duties and responsibilities is entirely different.

Statement showing the Number and Percentage of Muslim Recruits to the Cadres of Engineering Supervisors and Wireless Operators, since 1938.

Examination held in.	No. filled by Muslims.	Percentage of Muslim recruits.
<i>Engineering Supervisors recruited by Competitive Examination.</i>		
December 1938	12	26.1 per cent.
February 1940	3	18.8 per cent.
July 1941	9	8.9 per cent.
<i>Wireless Operators recruited by Competitive Examination.</i>		
December 1938	11	22.0 per cent.
February 1940	3	6.0 per cent.
July 1941

Wireless Operators recruited from partially trained Candidates.

Examination held in.	No. filled by Muslims.	Percentage of Muslim recruits.
1938	3	8.6 per cent.
1939
1940
1941
1942

DESIRABILITY OF ABOLISHING THE COMPETITIVE EXAMINATION FOR RECRUITMENT TO SUBORDINATE POSTS AND TELEGRAPHS SERVICES.

197. *Maulvi Syed Murtuza Sahib Bahadur: Will the Secretary of the Posts and Air Department please state whether it is a fact that ever since the introduction of a competitive examination for the recruitment to the subordinate Posts and Telegraphs Services, the department have failed to secure an adequate number of minority communities candidates? If so, does he propose to consider the desirability of abolishing this method of recruitment which has been proved by experience as unsuccessful in so far as the observance of the communal orders in the services is concerned? If not, why not?

Sir Gurunath Bewoor: The position is not as stated by the Honourable Member in the first part of his question. When the examination was first introduced, there were occasions, in a few Circles and in some years, when the number of candidates of the Muslim or other minority communities who were able to qualify in the examination was insufficient to fill up all the posts reserved for them under the rules relating to recruitment on communal basis. Such unfilled posts were, however, carried on to the next year's quotas. In recent years, the position has greatly improved and in the examination held in 1941, the number of Muslim candidates who qualified in the examination were sufficient to take up all the reserved vacancies. In the circumstances, Government do not propose to give up the present system of open competitive examination which has many substantial advantages, excluding, as it does, all favouritism and ensuring at least a minimum standard of quality in the candidates. Government, however, are taking all measures necessary to ensure that the interests of the minority community candidates do not suffer.

RECRUITMENT OF INSPECTORS AND HEAD CLERKS OF THE SUPERINTENDENTS OF POST OFFICES.

198. *Maulvi Syed Murtuza Sahib Bahadur: (a) Will the Secretary of the Posts and Air Department please state whether recruitment to the cadre of Inspectors of Post Offices and Head Clerks of the Superintendents of Post Offices is made by means of a competitive examination?

(b) If the reply to (a) above be in the affirmative, will he give the reasons for this novel method of promoting departmental officials?

(c) Is it a fact that this method has served as a weeding out process for the minority communities especially the Muslim officials? How many Muslims have secured these posts since the introduction of the examination and what is their percentage to the total recruitment made thereto?

(d) Do Government propose to consider the desirability of laying down a standard of qualifications for the examination and to take the minority communities candidates who satisfy that standard? If not, why not? What is the necessity of competition in making departmental promotions?

Sir Gurunath Bewoor: (a) Yes, subject to certain conditions.

(b) The reasons for introducing this method which is by no means novel were:

- (1) to remove all grounds for accusations of favouritism or prejudice associated with the old system of nomination,
- (2) to improve the quality of the personnel in the Inspectors' cadre from among whom the best are selected for promotion to the Superintendents' cadre, and

(8) to afford wider and more equal opportunities to the staff of the Department to compete for these posts.

(c) The reply to the first part is in the negative. Thirty-three Muslims have so far been selected, the percentage to the total recruitment being 11.

(d) No, because the communal recruitment rules do not apply to posts filled by promotion. As regards the last part of the question, the object is to secure the best candidates available at the time to fill the required number of posts. The matter is however under consideration.

NEED FOR AN OVER-BRIDGE AT BARAUNI JUNCTION STATION.

199. *Maulvi Muhammad Abdul Ghani: Will the Honourable Member for Railways be pleased to state:

- (a) whether the attention of Government has been drawn to the need for an over-bridge at the Barauni Junction Station of the Oudh and Tirhut Railway;
- (b) whether representations were made on the subject in the past; if so, with what result;
- (c) what arrangements are made for the crossing of passengers of one train to another when Up and Down trains arrive simultaneously or one after another with short intervals; and
- (d) whether there is any third or intermediate class female waiting room at the said station?

The Honourable Sir Edward Benthall: (a) and (b). I would refer the Honourable Member to Khan Bahadur Sarfaraz Hussain Khan's unstarred question No. 95 of 2nd September, 1929, and the reply thereto.

(c) Passenger trains cross at many stations on the single line not provided with over-bridges. The procedure for ensuring the safety of passengers who may have to cross a railway line varies with local conditions, and Government have no information of the detailed arrangements at the junction mentioned.

(d) Government have no information.

INTERMEDIATE CLASS WAITING ROOMS AND MUSLIM REFRESHMENT ROOMS ON THE TIRHUT SECTION OF OUDH AND TIRHUT RAILWAY.

200. *Maulvi Muhammad Abdul Ghani: Will the Honourable Member for Railways be pleased to state:

- (a) the number of male and female intermediate class waiting rooms on the Tirhut section of the Oudh and Tirhut Railway; and
- (b) if there is any Indian refreshment room for Muslims at Savan, Chupru, Sonapore, Muzaffarpore, Samastipur, Barauni Junction, Bihpur, Sahibpur-Kamal and Kutiha railway stations on the Tirhut section of the Oudh and Tirhut Railway?

The Honourable Sir Edward Benthall: (a) and (b). The information is not available in Government records.

MUSLIM TEA STALL AT SONEPUR RAILWAY STATION.

201. *Maulvi Muhammad Abdul Ghani: Will the Honourable the Railway Member please state:

- (a) whether there is any Muslim refreshment room run by a Muslim at Sonapore on the Tirhut Section of the Oudh and Tirhut Railway;
- (b) whether it is a fact that the tea stall for Muslims at Sonapore is run by a retired Hindu Station Master or some other Hindu gentleman;
- (c) whether repeated complaints against the Muslim tea stall run by a Hindu have been made to the railway authorities when the said Railway was under the management of the Bengal and North Western Railway; if so, with what results; and
- (d) if Government propose to remedy the long felt grievances of the Muslim travelling public passing through Sonapore Junction?

The Honourable Sir Edward Benthall: (a) No

(b) I understand the tea stall is managed by a Hindu contractor, who is not a retired Station Master.

(c) No. I am informed that complaints of this nature have been negligible.

(d) If a substantial need for a separate Muslim Refreshment Room exists, this is a matter which might suitably be represented at a Local Advisory Committee meeting.

DETENTION OF 19 UP EXPRESS AT KARACHI CANTONMENT RAILWAY STATION.

202. ***Mr. Lalchand Navalrai:** (a) Will the Honourable Member for Railways be pleased to state whether it is a fact that 19 Up Express was detained for nearly an hour at Karachi Cantonment station on the night of the 25th/26th August last, as a Sub-Inspector of the Railway Police had occupied a reserved third class compartment and refused to vacate the same, which he eventually did after one hour's detention? If so, what action was taken in the matter?

(b) What are the charges leviable for such a detention if a passenger desires to detain the train?

(c) What steps do Government propose to take to ensure that the trains are not unnecessarily detained by officials? If none, why?

The Honourable Sir Edward Benthall: (a) I presume the Honourable Member is referring to the incident which, I am informed, occurred on the night of August 24th/25th and not of 25th/26th. If so, the facts appear to be substantially as stated. Disciplinary action has been taken by the appropriate Police authority.

(b) No such charges are scheduled in Railway Tariffs.

(c) Unnecessary detention of trains by officials is of exceptional occurrence. Government propose to continue the practice of reporting any such cases to the departments concerned for suitable action.

TRANSFER OF MAJOR HAZELLES FROM CAWNPORE TO THE ORDNANCE DEPOT, DELHI FORT.

203. ***Dr. Sir Zia Uddin Ahmad:** (a) Will the Honourable Member representing the Supply Department please state the date of the transfer of Major Hazelles from Cawnpore to the Ordnance Depot, Delhi Fort?

(b) Was there any complaint regarding his work at Cawnpore?

(c) What was the percentage of rejection of the goods tendered for inspection before and after his posting in Delhi?

(d) Is the large percentage of rejection due to closer honest scrutiny or for other reasons?

(e) Is there any system by which the working of an officer can be checked?

(f) Is there any system for redressing the grievances of a contractor as far as inspection is concerned?

Mr. J. A. Mackeown: The question should have been addressed to the Secretary of the War Department.

ENQUIRY ABOUT THE BURNING OF THE RAILWAY CLEARING ACCOUNTS OFFICE.

204. ***Dr. Sir Zia Uddin Ahmad:** Will the Honourable the Railway Member please state:

(a) what enquiries he has made about the burning of the Railway Clearing Accounts Office in Delhi; and

(b) who made the enquiries and what were the findings?

The Honourable Sir Edward Benthall: The Deputy Director of the Railway Clearing Accounts Office made an enquiry and found that the fire had been caused by the mob which attacked the building on the 11th August, 1942. The Police have also made an enquiry which resulted in the arrest of 36 persons, 24 of whom were convicted and sentenced to various terms of imprisonment, one was hound over, five were discharged for lack of evidence and the remaining five were acquitted.

REWARDS FOR INVENTIONS AND SUGGESTIONS BY NORTH WESTERN RAILWAY EMPLOYEES.

205. ***Bhai Parma Nand:** (a) Is the Honourable the Railway Member aware that the North Western Railway offered rewards in the Railway Gazette 11,

(page 348, dated Friday, the 3rd June, 1938, to their staff for sending inventions and suggestions for the betterment of the running trains?

(b) Are Government aware that the North Western Railway also published in the same Gazette that, apart from the reward, a note will be made in their service cards for such inventions and suggestions if accepted by the Invention and Suggestion Committee?

(c) Do Government propose to lay on the table full particulars of the North Western Railway employees whose inventions or suggestions were accepted and the detail of rewards given to such employees?

(d) Is any regard or special consideration for the suggestion or invention given by the Railway towards these employees? If not, why not?

(e) Do the Railway Department agree to recognise those employees who offered suggestions and inventions which have been accepted by the Railway Administration and adopted for the railway working and for the betterment of the railway running?

(f) Do Government propose to give special consideration to such employees?

(g) Do Government propose to consider this point to encourage the railway employees for the future progress of the Railway?

The Honourable Sir Edward Benthall: (a) and (b). No, as I have not seen the publication referred to, but I am prepared to take the Honourable Member's word for it.

(c) No.

(d) The remarks are no doubt taken into consideration when the employee's service is reviewed for any purpose. The second part does not arise.

(e) and (f). I have no reason to believe that the Railway is not giving due weight to the fact that some employees have offered practicable suggestions for improved working and the matter is one within the discretion of the Railway Administration.

(g) Government have no reason to believe that the matter is not one which Railways always have prominently before them.

THEFT CASES IN CARRIAGE AND WAGON SHOPS, ALAMBAGH.

206. *Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state if it is a fact that during recent years the percentage of theft cases is on the increase in the Carriage and Wagon Shops, Alambagh, and if so, what are the reasons?

The Honourable Sir Edward Benthall: I have no information, but am drawing the attention of the General Manager, East Indian Railway, to the allegation made for such action as he may consider necessary.

REPRESENTATION AGAINST COMMUNAL RESERVATION BY THE WORKS MANAGER, CARRIAGE AND WAGON SHOP, LUCKNOW.

207. *Mr. Muhammad Azhar Ali: (a) Will the Honourable the Railway Member please state if it is a fact that the Works Manager, Carriage and Wagon Shop, Lucknow, represented in 1939 and 1940 that the communal reservation should not apply in cases of promotion from inferior to subordinate cadre?

(b) Is it a fact that the same Works Manager has several times represented to the higher authorities that certain posts in the initial grades reserved for Muslims should be declared unreserved for communal consideration?

(c) Is it a fact that the same Works Manager has represented recently that due to difficulties in securing the services of Muslims, temporary posts should be exempted from the operation of communal reservation?

(d) Is it a fact that such requests have not been made by the Works Manager, Loco, Lucknow?

(e) Will Government be pleased to state what action was taken by the authorities on the representations referred to above?

(f) Is it a fact that, since these representations were made, no posts of journeymen or chargehands in the Mechanical Workshop have been reserved

for Muslims? If so, will the Honourable Member be pleased to give the number of such vacancies from 1939 to 1942?

(g) Will Government be pleased to state if it is a fact that all the officers stationed at Alambagh, Lucknow, are Hindus and one of these is a local man?

The Honourable Sir Edward Benthall: I have called for information and a reply will be laid on the table of the House in due course.

RECENT ACCIDENTS ON BENGAL AND ASSAM RAILWAY.

208. *Mr. Ananga Mohan Dam: (a) Will the Honourable Member for Railways be pleased to state whether there was an accident between Lakwa and Suffrai on the Bengal and Assam Railway about the early part of February and also another accident between Namrup and Naharkatia on the same railway in Upper Assam?

(b) Were these trains driven by military drivers? If so, were the accidents due to the inexperience of those drivers?

(c) What was the number of casualties, injured and killed, and what has been done to compensate the families of the injured and the killed?

The Honourable Sir Edward Benthall: (a) The facts are as stated by the Honourable Member except that the first accident occurred on the 27th January, 1943.

(b) I understand that the accidents are still under enquiry, and I am therefore unable to give the information asked for.

(c) In the first accident nine persons were killed and 23 injured. In the second, there were no deaths or injuries. The question of compensation, other than that payable to Government Employees under the Workmen's Compensation Act, will be considered when the cause of the accidents has been finally determined.

DESIRABILITY OF INCREASING CARRIAGES ON MAIL AND MIXED TRAINS IN ASSAM.

209. *Mr. Ananga Mohan Dam: (a) Will the Honourable Member for War Transport be pleased to state whether, in view of the food shortage, he proposes to reserve daily a goods train for supply of food and other essentials of life from Parbatipur to Tinsukia and from Chandpur to Badarpur?

(b) In view of the great congestion of civil passenger traffic and the consequent inconvenience, do Government propose to increase the number of carriages on the mail and mixed trains in Assam?

The Honourable Sir Edward Benthall: (a) I understand that a daily through goods train runs over the section from Parbatipur to Tinsukia and, as far as can be foreseen, this train will continue to run. The section Chandpur to Badarpur is normally served by mixed trains, goods trains being run when occasion demands. It is hoped these services will continue without interruption. So far as I am aware, there is adequate rail transport available for the movement of the necessities of life in these areas.

(b) I understand there is little prospect of increasing the number of coaches on the mail trains which are already running to full load. The proportion of passenger-carrying vehicles on mixed trains is a matter of domestic detail which must be left to the Railway Administration.

COMMODITIES PURCHASED BY INDIAN AND BRITISH GOVERNMENTS AT CONTROLLED PRICE RATES.

210. *Sir Abdul Halim Ghusnavi: Will the Honourable Member representing the Supply Department be pleased to state:

(a) what commodities are purchased by the Government of India and His Majesty's Government in India at controlled rates of prices imposed by the Government of India;

(b) the difference in prices between the controlled prices and the commercial prices ruling in the market in respect of each of such commodity; and

- (c) whether he proposes to lay on the table a complete statement of the volume and value of each commodity purchased at controlled rate in the Indian markets by the Supply Department of the Government of India?

Mr. J. A. Mackeown: (a) Assuming that by controlled rates of prices the the Honourable Member means prices imposed under the Defence of India Rules, the principal commodities are sugar, shellac, crude rubber, sulphuric acid and chrome compounds.

(b) It is presumed that the Honourable Member is referring to cases in which the controlled price is expressed as a maximum price and Government has been able to buy at less than the maximum. Shellac, sulphuric acid and bichromates have sometimes been bought at less than the maximum price.

(c) The necessary information is not readily available and its collection would involve an amount of time and labour that would not be justifiable in war time.

TRANSFERRED UNSTARRED QUESTIONS AND ANSWERS.†

BOMBAY POSTAL EMPLOYEES ON DEPUTATION TO PRISONERS OF WAR CENSOR STATION, BOMBAY.

37. Mr. N. M. Joshi: Will the Secretary of the Posts and Air Department be pleased to state:

- (a) whether some of the employees of the Bombay General Post Office have been sent on deputation to the Prisoners of War Censor Station, Bombay;
- (b) whether their consent was obtained before they were deputed to that office;
- (c) whether they are paid any allowance while on deputation;
- (d) whether they enjoy Sundays and other postal holidays while on such deputation;
- (e) whether in the Prisoners of War Censor Station located at Bombay, there are other employees recruited direct from outside possessing qualifications similar to those possessed by the said deputees;
- (f) whether such direct recruits are given a much higher scale of pay than the present scale of pay given to the postal employees;
- (g) whether the deputees concerned had requested that they should be treated in the matter of pay, hours of work and holidays, etc., on the same lines on which other officials working in that department, who were directly recruited, were treated;
- (h) whether their request was granted; and if not, the reasons for the same; and
- (i) the steps which the Government propose to take to remove this discrimination and distinction in the treatment given to the deputees of the Post Office and other direct recruits?

Sir Gurnath Bewoor: (a) Yes.

(b) No.

(c) No.

(d) All Postal holidays and Sundays are not regularly observed as holidays by the staff of the Prisoners of War Censor station, but so far as the exigencies of the service permit, Sundays are observed and postal holidays are allowed to members of the community whose holiday it may be.

(e) Yes.

(f) No. The employees who possess qualifications similar to those of Posts and Telegraphs deputees are engaged as Clerks on Rs. 60. Direct recruits who know the Italian Language are paid Rs. 120.

(g) Yes.

†The question hour of the 1st March, 1943, having been eliminated owing to the adjournment of the House without transacting any business, the answers to unstarred questions for that date were, in pursuance of Convention, laid on the table of the House today—*Ed. of D.*

(h) No. So far as hours of work and holidays are concerned, all personnel are treated alike. As regards pay, the Posts and Telegraphs deputies who are on departmental rates draw, on an average, a higher salary than that paid to those who have been recruited in the open market, with the exception of those employed for their knowledge of the Italian Language.

(i) As no discrimination or distinction is made between the deputies of the Post Office and those recruited direct, the question of Government taking any steps to remove discrimination does not arise.

POSTAL EMPLOYEES ON FIELD SERVICE.

38. Mr. N. M. Joshi: Will the Secretary of the Posts and Air Department be pleased to state:

- (a) whether a large number of postal employees belonging to the subordinate and inferior cadres have joined the Field Service;
- (b) whether such employees have been given the benefit of the Emergency Allowance sanctioned in areas where emergency is declared in addition to the pay and other emoluments sanctioned for Field Service;
- (c) whether such employees are entitled to get the Dearness Allowance sanctioned from time to time and which they would have got had they not proceeded on Field Service;
- (d) if the answer to (c) above be in the negative, what are the reasons for not giving them the Dearness Allowance;
- (e) whether by reason of the denial of the benefit of the Dearness Allowance, some of the employees on Field Service are actually drawing salary inclusive of all the Field Service allowances less than what they would have got had they not proceeded on Field Service;
- (f) whether it is a fact that the families of such employees had to remain in India and were, therefore, given the Family Allotment from the pay of those employees; and
- (g) whether Government now propose to extend the benefit of the Dearness Allowance to such officials with retrospective effect; if not, the reasons for the same?

Sir Gurunath Bewoor: (a) Yes.

(b) If by "Emergency allowance" the Honourable Member means the special bonus of 20 per cent. sanctioned for Posts and Telegraphs personnel employed in certain areas of Bengal and Assam; then the reply is in the negative.

(c) No.

(d) Presumably because they receive free rations, free residential accommodation and free clothing.

(e) Not, if the cash value of free rations, etc., is added to the salary and other allowances.

(f) Yes.

(g) The matter is under consideration.

GOODS TALLY CLERKS ON NORTH WESTERN RAILWAY.

39. Mr. Lalchand Navalrai: (a) Will the Honourable Member for Railways be pleased to state if it is a fact that there are some posts of Goods Tally Clerks on the North Western Railway? If so, how the recruitment is or was made to these posts?

(b) Are any promotions, temporary or permanent, given to Goods Tally Clerks to grade I? If so, from which branch and how?

The Honourable Sir Edward Benthall: (a) The reply to the first part is in the affirmative if the Honourable Member is referring to Tally Clerks employed in the Goods Office in the Karachi Port Area. As regards the second part, recruitment is not now made to this grade as the men are gradually

being replaced by Goods Clerks. This has been in progress for 12 years and information is not readily available as to how recruitment was made before this period.

(b) The first part of the question is not understood as the lowest grade of Tally Clerks is Grade I. The second part does not arise.

MONEY SPENT ON NORTH WESTERN RAILWAY MEDICAL DEPARTMENT.

40. Mr. Lalchand Navai: (a) Will the Honourable Member for Railways be pleased to state how much money has been spent on the North Western Railway Medical Department during the financial years 1939-40, 1940-41, 1941-42, and budgeted for the year 1942-43, and what portion thereof was spent or was budgeted to be spent separately on the personnel, the medicines, the equipment and the contingent and other expenses?

(b) Is it not a fact that there has been substantial rise in the prices of medicines? If so, what increase has been made in the allotment for this item? If none, why?

(c) Is it a fact that the railway dispensaries and hospitals on the North Western Railway are not generally made use of spontaneously owing to shortage of medicines in these hospitals, but the employees only make use of them in case of accidents or when certificates are required for absence from duty?

(d) If the reply to part (c) above be in the negative, does the Honourable Member propose to lay a statement on the table of the House for the four years referred to in part (a) above, giving the average attendance of patients per day in the North Western Railway hospitals and dispensaries and the average amount spent on medicines on each patient per day?

The Honourable Sir Edward Benthall: (a) The information readily available is in Statement I attached.

(b) The reply to the first part is in the affirmative. As regards the second part, the information is given in the statement. The last part does not arise.

(c) No.

(d) The information is given in Statement II attached.

Statement I.

	1939-40.	1940-41.	1941-42.	1942-43.
(i) Total expenditure of the Medical Department, North Western Railway, budgeted	7,57,000	7,80,000	7,80,000	7,90,000 8,68,000 Revised.
(ii) Portion thereof spent separately on—				
(a) Personnel	6,13,258	6,23,685	6,26,027	
(b) Medicines and Equipment	68,263	63,354	74,097	
(c) Contingent	39,787	47,084	53,369	
(d) Diet charges, for entitled employees only	20,323	28,009	33,760	
(e) Other charges (including miscellaneous expenditure on anti-rabic treatment, consultant fees; Fees for members of Medical Boards; X-Ray, Clinical and Pathological examination charges, etc.)	9,820	9,992	7,859	

Statement II.

	1939-40.	1940-41.	1941-42.	1942-43.
(i) Average attendance of patients per day	4923.83	5257.56	5162.71	
(ii) Amount actually spent on medicines and medical stores, etc., per patient per day	Rs. .038 or 7.3 pies.	Rs. .033 or 6.33 pies.	Rs. .039 or 7.42 pies.	

EXTENSIONS OF SERVICE TO GOODS CLERKS ON NORTH WESTERN RAILWAY.

41. Mr. Lalchand Navai: (a) Will the Honourable Member for Railways be pleased to state the number of grade I Goods Clerks who were given extensions of service on the North Western Railway or recalled to duty after retirement upto the 31st December, 1942?

(b) Is it a fact that a number of Goods and Clerk Markers have been selected by various divisions under the orders of the General Manager, North Western Railway, for temporary promotion against Goods Clerks' vacancies? If so, why were the Markers not promoted in preference to retired hands who were given extensions of service or recalled?

(c) What is the comparative financial gain per month in case a Marker is promoted as a Goods Clerk, and a retired hand is recalled or a superannuated Goods Clerk is given extension of service? If the former process be cheaper, why are the railway finances unnecessarily taxed by appointing retired employees?

The Honourable Sir Edward Benthall: (a) No Goods Clerks Grade I have been given extensions on the North Western Railway; 75 retired Goods Clerks have been re-appointed.

(b) The reply to the first part is in the affirmative. As regards the second part, the retired Goods Clerks were in a position to perform the duties of Goods Clerks independently which the markets were not.

(c) The financial gain in promoting a marker is about Rs. 80 per month. As regards the second part, financial considerations cannot alone determine the course to be adopted.

MUSLIM AND NON-MUSLIM DOCTORS AND COMPOUNDERS ON EAST INDIAN RAILWAY.

42. Mr. Muhammad Azhar Ali: (a) Will the Honourable the Railway Member be pleased to state the number of Muslim and non-Muslim doctors and compounders on the East Indian Railway?

(b) Is it a fact that no Muslim doctor has been posted permanently to Lucknow, and the Divisional Medical Officer, Lucknow, refused to engage a Muslim cook for the hospital on representation made by the employees of the hospital? If so, why?

The Honourable Sir Edward Benthall: (a) Government have no information beyond that contained in the Classified List of State Railway Establishment and Distribution Return of all Railways corrected up to 31st December, 1941, and the Classified List of Subordinate Staff of all Departments on scales of pay rising to Rs. 250 and above, corrected up to 30th September, 1941, published by the East Indian Railway, copies of both of which are in the Library of the House.

(b) Government have no information on these matters of detailed administration

PAUCITY OF MUSLIM INFERIOR STAFF IN LUCKNOW DIVISION, EAST INDIAN RAILWAY;

43. Mr. Muhammad Azhar Ali: (a) Will the Honourable the Railway Member please state if it is a fact that no steps are taken by the authorities to employ an adequate number of Muslim watermen, pointsmen, porters and gate-keepers in the Traffic Department and gangmen in the Engineering Department of the Lucknow Division of the East Indian Railway? If so, are any steps proposed to be taken now?

(b) Is it a fact that these appointments are not made through the Selection Board as recommended by the Royal Commission on Labour? If so, why?

The Honourable Sir Edward Benthall: (a) No; the second part does not arise.

(b) The Royal Commission on Labour made no such recommendation as presumed by the Honourable Member. The second part does not arise.

CONFIRMATION EXAMINATION FOR CLERKS ON EAST INDIAN RAILWAY.

44. Mr. Muhammad Azhar Ali: (a) Will the Honourable the Railway Member please state if it is a fact that the East Indian Railway authorities have prescribed a confirmation examination for certain classes of clerks after their appointment? If so, whether any system for such examinations exists for any other kind of employees on the East Indian Railway and for clerks and other employees on other State-managed Railways? If not, why has this been done specially for clerks on the East Indian Railway?

(b) Is it a fact that recruitment of clerks is made through the properly constituted Selection Boards after due test? If so, what is the necessity of prescribing the confirmation examination?

(c) Is it a fact that the clerks are confirmed after passing the above confirmation examination, and those who fail to pass in two confirmation examinations are discharged from service? If so, does this not constitute any hardship to employees who become over-age for service in other Government Departments?

(d) Does the Honourable Member propose to state the number of clerks who failed to qualify in two examinations and were discharged since its inception?

(e) Do Government propose to consider the advisability of employing such failed clerks if they are suitable for the posts for which this confirmation examination does not apply?

(f) Do Government propose to consider the advisability of taking this qualifying examination before the appointments instead of taking it after the appointments in order to avoid hardships to employees?

The Honourable Sir Edward Benthall: (a) As regards the first and second parts, Government have no information regarding this matter of detailed administration. As regards the third part, the Railway Administration can, if it so desires, prescribe such examinations.

(b) The recruitment of clerks is made by Selection Boards in accordance with the rules in force on the East Indian Railway. As regards the second part, confirmation examinations are prescribed for testing the suitability of staff on probation for permanent retention in service.

(c) As regards the first part, Government have no information. As regards the second, Government do not consider it involves any hardship if persons who prove unsuitable are removed from service.

(d) and (e). No.

(f) No, because the test, if one is prescribed, is generally on knowledge acquired after admission to the service.

MOTIONS FOR ADJOURNMENT.

ALLEGED INSULT BY SOLDIERS TO MR. M. S. ANEY AT NAGPUR RAILWAY STATION.

Mr. President (The Honourable Sir Abdur Rahim): I have received notice of a motion for adjournment from Mr. Govind V. Deshmukh. He wishes to discuss a definite matter of urgent public importance, namely, the boorish and insulting behaviour of soldiers who took possession of a seat in a railway compartment reserved for Mr. M. S. Aney, ex-Member of the Executive Council of the Governor General, while he was leaving for Poona, at the Nagpur Railway station in spite of the protests of Mr. Aney and his friends and in utter defiance of the police and railway authorities and threw his luggage out of the compartment.

The Honourable Sir Edward Benthall (Member for Railways and War Transport): Sir, on seeing this statement in the Press, enquiries were immediately made and the facts of the matter appear to be as follows:

Mr. Aney asked for a lower berth second class from Nagpur. Nagpur, Sir, is an intermediate station and reservations from it are not guaranteed. A member of the station staff, on arrival of the train, found a lower berth in Second Class for Mr. Aney. Later, a non-commissioned officer arrived probably from the refreshment room and he said he had been occupying the berth since the train had left Howrah and it was in fact his berth. His ticket confirmed this statement. The station staff then looked for another berth and the only second class berth available was an upper berth. One of the military service personnel in this compartment gave up his lower berth to Mr. Aney and took the upper berth himself. Mr. Aney thanked the station staff for what they had done and had no complaint to make, so far as could be ascertained. I may add, Sir, that Government is examining the question of action to be taken

[Sir Edward Benthall.]

against those responsible for giving publicity to this inaccurate and prejudicial report.

Mr. President (The Honourable Sir Abdur Rahim): Does the Honourable Member Mr. Govind V. Deshmukh now wish to pursue this matter?

Mr. Govind V. Deshmukh (Nagpur Division: Non-Muhammadan): It appeared to me from the United Press report there was great sensation and I do not know whether the facts . . .

Mr. President (The Honourable Sir Abdur Rahim): Order, order. The Honourable Member cannot make a speech. He either wishes to move the motion or not.

Mr. Govind V. Deshmukh: We have often seen that soldiers misbehave . . .

Mr. President (The Honourable Sir Abdur Rahim): Order, order.

Mr. Govind V. Deshmukh: In view of the facts set out by the Honourable Sir Edward Benthall, I do not wish to move the motion.

LATEST RESTRICTIONS ON SUPPLY OF NEWSPRINT.

Mr. President (The Honourable Sir Abdur Rahim): I have received a notice of motion for adjournment from Maulana Zafar Ali Khan. He wishes to move for the adjournment of the House to discuss an urgent matter of definite public importance, namely, the effects of the latest restrictions imposed in a Government Notification as reported in the *Dawn* of March 1st, on the supply and acquisition of newsprint which threaten the extinction of newspapers in this country.

What are the facts?

Mr. T. S. Pillay (Government of India: Nominated Official): On behalf of Government, I wish to object. My reasons briefly are as follows. Sir, there is no new order embodying any new principle which has been introduced.

Mr. President (The Honourable Sir Abdur Rahim): I do not want a speech. Does the Honourable Member suggest that it is not an urgent matter within the meaning of the Rule?

Mr. T. S. Pillay: Yes. My submission is that these restrictions were introduced long ago and they have now been amplified according to present circumstances and conditions.

Mr. President (The Honourable Sir Abdur Rahim): The question is whether they have been amplified so much as to threaten the extinction of newspapers.

Mr. T. S. Pillay: These restrictions will keep on the existing newspapers for a much longer time than otherwise it would have been possible.

Mr. President (The Honourable Sir Abdur Rahim): This does not seem to be an urgent matter.

Maulana Zafar Ali Khan (East Central Punjab: Muhammadan): A grave situation has arisen.

Mr. President (The Honourable Sir Abdur Rahim): This sort of order has been in force for some time.

Maulana Zafar Ali Khan: We knew it only recently.

Syed Ghulam Bhik Nairang (East Punjab: Muhammadan): Admittedly, the amplification has been recent.

Mr. President (The Honourable Sir Abdur Rahim): No new principle is involved in it.

Maulana Zafar Ali Khan: The Government of India have pointed out in definite terms that the quota allotted to the newspapers has been reduced to one-eighth.

Mr. President (The Honourable Sir Abdur Rahim): When was that done?

Maulana Zafar Ali Khan: On the 17th February and 27th February. The first notification was on the 17th and then on the 27th.

Mr. President (The Honourable Sir Abdur Rahim): Then why did not the Honourable Member come earlier and move his motion? The notification was first made on 17th February.

Maulana Zafar Ali Khan: The last one was on the 27th February.

Mr. President (The Honourable Sir Abdur Rahim): There have been similar orders before the 27th.

Maulana Zafar Ali Khan: No, Sir. There were no similar orders before. Further orders imposing fresh restrictions have created a new situation and that situation is that papers cannot continue.

Mr. President (The Honourable Sir Abdur Rahim): What is the nature of the order.

Maulana Zafar Ali Khan: I shall read the nature of the order.

Mr. President (The Honourable Sir Abdur Rahim): Cannot the Honourable Member state it briefly? I simply wanted to know what is the effect of the order.

Maulana Zafar Ali Khan: The nature of the order is that no proprietor of a newspaper with effect from 18th February shall purchase or otherwise acquire from one or more stockholders newsprints in excess of the quantity specified in the quota allotment certificates issued to him for import of newsprint.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member ought to have taken steps to move the motion before. The motion is not urgent in the sense of the rule. I rule that it is out of order.

ELECTION OF MEMBERS TO THE STANDING FINANCE COMMITTEE.

Mr. President (The Honourable Sir Abdur Rahim): I have to inform the Assembly that up to 12 Noon on Wednesday, the 24th February, 1943, the time fixed for receiving nominations for the Standing Finance Committee 17 nominations were received. Subsequently three candidates withdrew their candidature. As the number of remaining candidates is equal to the number of vacancies I declare the following Members to be duly elected, namely:

- | | |
|--------------------------------------|--|
| 1. Kunwar Hajee Ismaiel Ali Khan. | 8. Mr. Umar Aly Shah. |
| 2. Major Nawab Sir Ahmad Nawaz Khan. | 9. Mr. H. A. Sathar H. Essak Sait. |
| 3. Mr. Saiyid Haider Imam. | 10. Maulana Zafar Ali Khan. |
| 4. Babu Baijnath Bajoria. | 11. Rai Bahadur Seth Bhagchand Soni. |
| 5. Mr. T. Chapman-Mortimer. | 12. Captain Sardar Bahadur Dalpat Singh. |
| 6. Mr. E. L.-C. Gwilt. | 13. Mr. N. M. Dumasia. |
| 7. Dr. Sir Zia Uddin Ahmad. | 14. Mr. Govind V. Deshmukh. |

THE HINDU CODE, PART I (INTESTATE SUCCESSION).

The Honourable Sir Sultan Ahmed (Law Member): Sir, I introduce the Bill to amend and codify the Hindu Law relating to intestate succession.

THE HINDU CODE, PART II (MARRIAGE).

The Honourable Sir Sultan Ahmed (Law Member): Sir, I introduce the Bill to codify the Hindu Law relating to marriage.

ELECTION OF THE STANDING COMMITTEE ON EMIGRATION.

Mr. A. V. Pal (Government of India: Nominated Official): Sir, I move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President, may direct, eight non-official Members to serve on the Standing Committee on Emigration during 1943-44."

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

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, eight non-official Members to serve on the Standing Committee on Emigration during 1943-44."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): I may inform Honourable Members that for the purpose of election of Members for the Standing Committee on Emigration the Notice Office will be open to receive nominations up to 12 o'clock on Friday, the 5th March, 1943, and that the election, if necessary, will be held on Monday, the 8th March, 1943. The election, which will

[Mr. President.]

be conducted in accordance with the principle of proportional representation by means of the single transferable vote, will be held in the Assistant Secretary's room in the Council House, New Delhi, between the hours of 10-30 A.M. and 1 P.M.

RESOLUTION *RE* REVISION OF THE CONVENTION IN RESPECT OF CONTRIBUTION FROM RAILWAY TO GENERAL REVENUES.

The Honourable Sir Edward Benthall (Member for Railways and War Transport): Sir, I beg to move the following Resolution:

"That whereas it has been found that the Convention, which was adopted under the Assembly Resolution, dated 20th September, 1924, and which was intended to relieve the General Budget from violent fluctuations caused by the incorporation therein of the railway estimates and to enable railways to carry on a continuous railway policy based on the necessity of making a definite return to general revenues on the money expended by the State, has not achieved these objects, this Assembly recommends to the Governor General in Council that :

- (i) for the year 1942-43, a sum of Rs. 2,35,32 thousand shall be paid to general revenues over and above the current and arrear contribution due under the Convention,
- (ii) from the 1st April, 1943, so much of the Convention as provides for the contribution and allocation of surpluses to general revenues shall cease to be in force,
- (iii) for the year 1943-44, the surplus on commercial lines shall be utilised to repay any outstanding loan from the depreciation fund and thereafter be divided 25 per cent. to the railway reserve and 75 per cent. to general revenues, the loss, if any, on strategic lines being recovered from general revenues, and
- (iv) for subsequent years and until a new convention is adopted by the Assembly, the allocation of the surplus on commercial lines between the railway reserve and general revenues shall be decided each year on consideration of the needs of the railways and general revenues, the loss, if any, on strategic lines being recovered from general revenues."

Sir, the reasons which have necessitated Government placing this Resolution before the House have been given in some detail in my Railway Budget Speech and in the Railway Board's Explanatory Memorandum attached to the budget figures.

My predecessor in his budget speech last year indicated that in putting forward proposals for a revised arrangement for the division of the surplus, consideration would have to be given to the question whether there should be a general revision of the existing Convention or whether the arrangements should merely comprise interim arrangements to meet the war situation. In speaking on the subsequent cut motion moved by Sir Frederick James, he added that "if later in the year he found the possibilities envisaged in his budget speech were being fulfilled the proposal for a revision of the convention would be sympathetically considered". But he could not, for obvious reasons, take up this question during the September Session as the Railways were then experiencing a set-back in their earnings and the future was uncertain. We, however, gave consideration to the views of the House at the earliest possible moment and what we are now proposing is a combination of the two courses. We are making the only sort of interim arrangements which in our view are possible in war time and we are proposing to give the House and the public ample time to consider the wider question.

I do not think that there will be any dispute regarding the Preamble of the Resolution or that much time need be spent on that part of it. The convention itself contains provision for its own review within three years. A committee of the House sat upon it in 1928 with infructuous results and since that date there have been numerous cut motions, Resolutions and questions all of which pointed to the failure of the convention to give satisfaction under the varying conditions prevailing at the time they were moved. During the debate on the cut motion moved on March 20th of last year, speaker after speaker emphasised this fact. From the point of view of the Railway Department it will suffice to say that in the first twelve years of mixed prosperity and depression after the introduction

of the convention, Railways, in the net result, fared worse than they would have fared if the pre-convention arrangements had continued. It has been calculated that, in fact, Railways had not only handed over all the net surplus to general revenues but had, in effect paid to them in addition a sum of about 3½ crores from capital.

There are two reasons for bringing forward the present Resolution now in its present form: The first is the necessity of relieving general revenues this year and next. The General Budget introduced by the Honourable the Finance Member on Saturday in itself illustrates the justification for this. The second is the necessity of relieving the Railway Budget in the future years, if we are to meet the first necessity to the extent proposed in the present emergency. We should, in my opinion definitely not be justified in giving such a large share of the surplus profits to general revenues unless Railways are relieved of the one per cent. contribution in the future. From the Railway point of view I consider paragraph (ii) of the Resolution to be an essential element of the proposals for distributing the anticipated surplus of 1943-44. If Railways are not relieved of the one per cent. contribution for future years we should allocate more to the Railway Reserve now in order to provide for payment of this contribution in times of depression. Any other course would be unsound finance on the long term view.

It has been argued, on the one hand, that more should be allotted to Railway Depreciation Fund and General Reserves in order to provide for the inevitable post-war programme of rehabilitation. This has, of course, been in the forefront of our mind and from the purely Railway aspect naturally the larger the reserve the happier the Railway Department would be. But if Honourable Members would consider the present state of Railway finances and compare them with the position at the end of 1939-40, when we were in arrears to the extent of nearly 36 crores in our contribution to General Revenues and had borrowed 30½ crores from the Depreciation Fund they will note a remarkable degree of progress which the proposals at present under discussion are designed to prolong.

Taking the two years 1942-43 and 1943-44 together, 25 crores are being set aside for the strengthening of the railway financial position over and above the allocation to depreciation. The reason for the uneven allocation between the two years, the current year and next year, that is to say 16.15 crores in the current year and 8.94 crores next year is our desire to clear the arrears of borrowing from the Depreciation Fund in the current year once and for all, so that in approaching the problem of a revision of the Convention we can start on a level basis.

Secondly, the surplus has been earned largely from general revenue expenditure arising out of the war. A substantial percentage of the increase in gross earnings is estimated to be due to direct military traffic and most of the balance to supply activity and increased passenger traffic. It is estimated that only 6½ per cent. of the increased earnings is due to the increase in rates and fares. The Railway Department must in equity admit that the general taxpayer, who is called upon to meet increased burdens, is entitled to the return of a substantial portion of the increased surplus arising out of war expenditure, since it must be remembered that railways are not subject to the direct taxation in the form of income, super and excess profits tax which is borne by the ordinary commercial concern.

While the claim of general revenues is reasonable, the grant of the counter-claim of the railways to be relieved of a contribution whether a surplus is earned or not, is a very real benefit to the stability of railway finances in the future, and one which adequately compensates for the present more generous allocation to general revenues.

On the other hand, the argument is put forward by others that railway reserves are already adequate and that excessive reserves should not be built up at the expense of contributions to general revenues. I would reply that the reserves are not by any means as substantial as we should like to see.

[Sir Edward Benthall.]

The Depreciation Fund is inadequate judged on sound financial principles. It is not necessary to dilate on this very technical subject, because at the appropriate time it is proposed to circulate a paper on this subject. A substantial Reserve Fund is necessary to meet interest charges in times of depression, as in the case of the slump of the 1930's, to provide greater security for the workers against the necessity of severe retrenchment in hard times and to act as a general reserve fund to meet special contingencies. It cannot be sustained that the reserve fund, as it will exist at the end of 1943-44, is adequate for these purposes.

These are in brief the reasons why we are asking the House to agree to paragraphs (i), (ii), and (iii) of the Resolution before us. The proposals have been formulated after balancing the various factors with the utmost care. They form an integral whole and a decision upon them does not admit of any delay if the railway and general budgets are to be passed.

There are some Members in favour of an immediate wholesale revision of the Convention and an attempt to construct a new one. Such Members are not content with paragraph (iv) of the Resolution and would prefer that the House should proceed at once with the full revision of the Convention.

Sir, this is a large task. It will take much time and labour to do the work thoroughly. Appropriate consideration will have to be given to the adequacy of the Depreciation and Reserve Funds, to the need for Amortisation and Betterment Funds, to the function of the Standing Finance Committee and the Central Advisory Council. As the 1928 Committee found, conclusions may well depend on the future constitutional position of the railway administration. All this work must not be allowed to interfere with the war effort. The public and the House will require time to consider the implications, since the subject is one of great importance and more than the financial provisions are involved in a wholesale revision. It would be a pity to hurry the investigation unduly in order to comply with the need for concluding the business of the Budget. Furthermore, we are today budgeting on boom conditions. For a final revision it must be necessary to forecast the probable gross receipts and expenditure in normal times before an appropriate basis of allocation between railways and general revenues can be settled. Which Member of the House would be so bold as to undertake this forecast at the present time?

In the light of these circumstances Government have come to the conclusion that the most practical course, and the course most fair to the House in the uncertain and rapidly fluctuating conditions and with the exacting and imperative pre-occupations caused by the war, is to adopt the interim arrangements proposed in the Resolution in order to relieve the general budget and take the first step towards setting railway finances on a sound footing, and then to proceed without delay, but at greater leisure through the existing machinery, the Standing Committee of the Legislature, with the consideration of the very difficult problem of a permanent revision of the Convention. This procedure will enable the House to conclude the budget arrangements for this year and next and to deliberate upon the future with the care which the subject deserves. I hope, therefore, that the House will accept this Resolution and the procedure outlined for the future.

Sir, I move.

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

"That whereas it has been found that the Convention, which was adopted under the Assembly Resolution, dated 20th September, 1924, and which was intended to relieve the General Budget from violent fluctuations caused by the incorporation therein of the railway estimates and to enable railways to carry on a continuous railway policy based on the necessity of making a definite return to general revenues on the money expended by the State, has not achieved these objects, this Assembly recommends to the Governor-General in Council that:

- (i) for the year 1942-43, a sum of Rs. 2,35,32 thousand shall be paid to general revenues over and above the current and arrear contribution due under the Convention,

- (ii) from the 1st April, 1943, so much of the Convention as provides for the contribution and allocation of surpluses to general revenues shall cease to be in force,
- (iii) for the year 1943-44, the surplus on commercial lines shall be utilised to repay any outstanding loan from the depreciation fund and thereafter be divided 25 per cent. to the railway reserve and 75 per cent. to general revenues, the loss, if any, on strategic lines being recovered from general revenues, and
- (iv) for subsequent years and until a new convention is adopted by the Assembly, the allocation of the surplus on commercial lines between the railway reserve and general revenues shall be decided each year on consideration of the needs of the railways and general revenues, the loss, if any, on strategic lines being recovered from general revenues."

Mr. President (The Honourable Sir Abdur Rahim): There are a number of amendments to this Resolution. I do not know if Honourable Members would now care to move them.

Dr. Sir Zia Uddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): I have two amendments and I would like to move them both at one time so that if one is accepted then the question of moving the second will not arise. Therefore, I move:

"That the discussion of the Resolution be postponed in order that the whole question may be examined by a Committee of this House consisting of the following Members:

The Honourable the War Transport Member,
The Honourable the Finance Member,
The Financial Commissioner of Railways,
Sir John Francis Raper,
Sir Muhammad Yamin Khan,
Mr. Muhammad Nauman

Dr. P. N. Banerjee,
Mr. Jamnadas M. Mehta,
Sir F. E. James,
Mr. T. Chapman-Mortimer,
Sir Abdul Halim Ghuznavi,
Mr. N. M. Joshi, and
the Mover."

If you permit me, Sir, I would like to add four more names for the membership of the Committee, namely: Mr. K. C. Neogy, Mr. Hooseinbhooy A. Lalljee, Mr. Govind V. Deshmukh, and Sardar Sant Singh.

The second Amendment is

Mr. President (The Honourable Sir Abdur Rahim): Wait a minute. The Honourable Member cannot move both the amendments at the same time. Amendment moved:

"That the discussion of the Resolution be postponed in order that the whole question may be examined by a Committee of this House consisting of the following Members:

The Honourable the War Transport Member,
The Honourable the Finance Member,
The Financial Commissioner of Railways,
Sir John Francis Raper,
Sir Muhammad Yamin Khan,
Mr. Muhammad Nauman,
Dr. P. N. Banerjee,
Mr. Jamnadas M. Mehta,
Sir F. E. James,

Mr. T. Chapman-Mortimer,
Sir Abdul Halim Ghuznavi,
Mr. N. M. Joshi,
Mr. K. C. Neogy,
Mr. Hooseinbhooy A. Lalljee,
Mr. Govind V. Deshmukh,
Sardar Sant Singh, and
the Mover."

Dr. Sir Zia Uddin Ahmad: While moving the amendment, I may just remind the Honourable the Mover of the Resolution about the procedure that we adopted in

Pandit Lakshmi Kanta Maitra (Presidency Division: Non-Muhammadan Rural): What is the time limit?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not trouble himself now about the procedure.

Pandit Lakshmi Kanta Maitra: What is the time limit for speeches on amendments to Resolutions?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member ought to know that.

Does the Honourable Member wish to move any other amendment?

Dr. Sir Zia Uddin Ahmad: I said if this is rejected I will move the other one.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot do that. Now that his first amendment has been moved, he can move his second amendment.

Dr. Sir Zia Uddin Ahmad: Sir, I move the other amendment:

"That for the original Resolution the following be substituted:

[Dr. Sir Zia Uddin Ahmad.]

"That this Assembly recommends to the Governor General in Council that the following proviso be added to clause (3) of the Convention adopted by the Assembly in its Resolution dated the 24th September, 1924 :

'Provided further that the amount exceeding 75 crores in the Reserve and Depreciation Reserve Funds shall be transferred to General Revenue'."

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

"That for the original Resolution the following be substituted :

"That this Assembly recommends to the Governor General in Council that the following proviso be added to clause (3) of the Convention adopted by the Assembly in its Resolution dated the 24th September, 1924 :

'Provided further that the amount exceeding 75 crores in the Reserve and Depreciation Reserve Funds shall be transferred to General Revenues'."

Mr. Govind V. Deshmukh (Nagpur Division: Non-Muhammadan) : Sir, I rise to move my amendment :

"That for clauses (ii), (iii) and (iv) the following be substituted :

"That a Committee, consisting of the Honourable the Member for the Railways, the Honourable the Finance Member, the Financial Commissioner for Railways, Dr. Sir Zia Uddin Ahmad, Dr. P. N. Banerjee, Mr. Hooseinbhoy A. Lalljee, Sir F. E. James, Sir Abdul Halim Ghuznavi, Mr. N. M. Joshi, Sardar Sant Singh and the Mover be appointed to review the working of the Convention of 1924 and to make recommendations for allocation of railway surpluses between general revenues and railway revenues for the duration of this war and to make such other recommendations as they deem necessary for the post-war periods and to report on or before the 31st August, 1943'."

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

"That for clauses (ii), (iii) and (iv) the following be substituted :

"That a Committee consisting of the Honourable the Member for the Railways, the Honourable the Finance Member, the Financial Commissioner for Railways, Dr. Sir Zia Uddin Ahmad, Dr. P. N. Banerjee, Mr. Hooseinbhoy A. Lalljee, Sir F. E. James, Sir Abdul Halim Ghuznavi, Mr. N. M. Joshi, Sardar Sant Singh and the Mover be appointed to review the working of the Convention of 1924 and to make recommendations for allocation of railway surpluses between general revenues and railway revenues for the duration of this war and to make such other recommendations as they deem necessary for the post-war periods and to report on or before the 31st August, 1943'."

Now, the main Resolution and the amendments are open to discussion.

Dr. Sir Zia Uddin Ahmad : Sir, on a point of order: when this Resolution was moved on the 24th September, 1924, there was no time limit in the speeches, as I noticed from the length of the speeches

Mr. President (The Honourable Sir Abdur Rahim) : I do not know why there was no time limit. That is the Standing Order.

Dr. Sir Zia Uddin Ahmad : On account of the importance of the subject probably.

Mr. President (The Honourable Sir Abdur Rahim) : Perhaps it was agreed upon by all Parties at the time; but, any how I have to enforce the time limit.

Dr. Sir Zia Uddin Ahmad : It may be suspended on account of the importance.

Mr. President (The Honourable Sir Abdur Rahim) : I cannot allow that. There is the Standing Order. I cannot suspend the Standing Order. The Honourable Member can go on.

Dr. Sir Zia Uddin Ahmad : In view of the fact that we are allowed only fifteen minutes to discuss this very important Resolution, it clearly shows that it is impossible for the Assembly to come to an agreement which may be reasonable, because it cannot be properly discussed and this is an additional argument for my proposal that it should be referred to a committee where we can discuss the *pros* and *cons* across the table and decide the issue; we ought not to rush through the change in this very important Resolution, which I call a sacred Resolution, because everybody is allowed to speak only for fifteen minutes and we will be changing this very important measure of 1924.

I will just remind you first about the procedure, that when this Resolution was moved on the 3rd March, 1924, the Government at that time agreed to refer the matter to a committee. Mr. Ramachandra Rau who moved the amendment on the 3rd March said that though no doubt the Central Advisory Board and the Finance Committee may examine those proposals, he would like to have an independent discussion by a committee of the House. Though my Honourable

friend, the War Transport Member, may refer the proposal to an advisory committee or to any other committee, it seems desirable that the matter should be referred also to a committee of the House as they did on the previous occasion, on account of the importance of the subject.

In the first instance, I would like to draw the attention of the House to the history of the Depreciation Fund. Before 1875, the railways used to allocate some money for renewals and replacements; but they set aside very large sums of money under this head, and showed a smaller profit; and since the interest was guaranteed by the State, it paid the companies very well. In 1875, Government realised the position and abolished the system of the reserve fund at that time and they began to allot as much as was necessary for replacements and renewals. Then during the Great War the Government of India made the mistake, that instead of setting aside the annual grant for replacement and renewals, they spent the entire income for the prosecution of the Great War. The result was that when the war was over the replacements and renewals were entirely behind time, and the Railway Retrenchment Committee at that time calculated it at 22 crores; but the Inchcape Committee calculated it at 18½ crores. I went through the figures and I thought it ought to have been over 22 crores at that time. The subject was again examined by the Acworth Committee, and they devoted considerable time to it and recommended the formation of a depreciation fund; and on that committee's recommendation, we had our Convention of 1924. Then the question was taken up, how this depreciation ought to be calculated. They put down the life of every article and they came to a certain figure; but in 1935 they said it was unnecessary to have this calculation and they put down the depreciation to be equivalent to one-sixtieth of the capital at charge. This system is open to very great objections. The other thing on which they went on the wrong track was the recommendation of the Dickinson Committee. This Dickinson Committee by continuing this particular question of depreciation fund made certain recommendations which were really not quite clear and which to a certain extent were really confusing. Within fifteen minutes I cannot discuss fully the recommendations of this Dickinson Committee, on account of which we went on the wrong track. Of course, had this been referred to a Committee, I would have specifically pointed out the recommendations and implications, and how we fell into the error. This Depreciation Fund originally started as a kind of renewal fund, but later on the name was changed into Depreciation Reserve Fund and they began to build up the fund. The experience of the last eighteen years has shown that the expenditure under the head of renewal and depreciation is about Rs 8½ crores and we set aside about 12½ crores under this head, which is really much more than what we require. We ought to have deposited only 8½ crores, and not 12½ crores as we are doing. This depreciation which has been calculated at the rate of one-sixtieth of the capital at charge is much more than one in business would allow. This works out to 25 per cent. of the working expenses and 14 per cent. of the gross income. There are so many business people in this House and I ask them, will any business man allow such a percentage under the depreciation fund—24 per cent. of the working expenses and 14 per cent. of the gross income? That is a percentage which is thoroughly unjustifiable and it would not be followed in any other country. I cannot go into the details of this matter. I have got reports—they are not just here on my table, but in the office here there are reports of all the railways in the world, Continental, American and so on. I have gone into this question very carefully in the case of all railways in the world, and I have got before me statistics published for all the railways. In India only they have got these depreciation figures, and it clearly shows that we are the only country in the world which has adopted this particular policy and it is acting very badly on the operating ratio. It is a wrong principle that we have adopted, so much so that it gives a wrong figure about the operating ratio on the Indian railways. I have taken the trouble to find out the operating ratio with and without depreciation fund, and also the ratio that would result if we

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adopt a correct policy with regard to depreciation, that is, set aside 8½ crores for depreciation fund and not 12½ crores. If we continue to adopt the present policy we are giving a wrong impression about the working of the Indian railways to persons who are not familiar with the working of these things. First of all, I submit that we should revise our policy of depreciation fund; that is, instead of depositing one-sixtieth of the capital at charge we should deposit only Rs. 8½ crores which is necessary for replacements, but with this proviso, that if in any particular year on account of war conditions or otherwise that sum cannot be spent, it should be put in a suspense account as the Finance Committee of the Railways has already recommended. That is really a sound policy, but it is not necessary to build up two reserves, depreciation reserve and also ordinary reserve. The maximum figure recommended by the Acworth Committee was 50 crores for the Reserve Fund. I think that we should have a little higher figure and have an equivalent of one year's expenditure. Some persons suggested about Rs. 100 crores. I have taken an average of the two and recommended Rs. 75 crores which is really a safe margin to be kept. So, I recommend that we spend as much money as we require for replacements and renewals, and the experience of the last 18 years shows that we require Rs. 8½ crores. Whatever balance is left, it should be credited to a reserve fund which should be built up till we have reached the figure of Rs. 75 crores, and any sum over and above this should be given to the general revenues, because this enormous income that we have from the railways is due to war conditions, it is a tax on the taxpayers and users of the railways, and it is very desirable that this amount ought to be transferred to the general revenues.

Let me deal with the operating ratio. The percentage of the operating ratio excluding depreciation is 53 and including depreciation it is 71 per cent. Let me take the year, 1931-32. The percentage excluding depreciation is 56 and including depreciation it is 72. If we calculate on the basis of a reasonable amount for the depreciation which ought to be taken, that is, the amount which we spend in renewal—it works out to 65·92, and 65·92 is a very good operating ratio percentage when we compare it with the operating ratios of railways of other countries in the world. The only country which was probably cheaper in running was Japan for that particular year, but we would be more economical than any other country. If we turn to the statistics given in "Statistique Internationale des Chemins de Fer Paris", the percentage given under the head "miscellaneous" has enormously increased in the case of Indian railways and very much more so as compared with other railways. If any one goes through the statistics, he will see what is the humbug in putting 25 per cent. of the income under the head "miscellaneous". The "miscellaneous" should not go beyond 10 per cent., but it is 25 per cent. in the case of our railways. Several experts of railways of other countries have put me this question, you have got such a large percentage under the head "miscellaneous". The reason is that we are putting depreciation under the head "miscellaneous", and a very big morsel of our income is put under the head depreciation. In these statistics there is no column for depreciation simply because it does not exist, and the only place where they can give this depreciation on the Indian railways is under the head "miscellaneous" because they have no other specific column for depreciation. These statistics have got different headings even for little details, but they have no column for depreciation and you shove under the head "miscellaneous" a very big sum.

Mr. T. S. Sankara Aiyar (Government of India : Nominated Official) : The Honourable Member has been saying that the depreciation fund is under miscellaneous expenditure. Will he kindly point that out? The demands are there and it is not shown under "Miscellaneous".

Dr. Sir Zia Uddin Ahmad : I am not referring to your report. I am referring to the report prepared in Paris—Statistique Internationale des Chemins de Fer Paris.

You are only aware of the Indian railways, but I have studied all the railways in the world. I can give you a report of all the railways in the world. They have got no column to indicate depreciation which your railways have got. This reminds me of the story of an Oxford gentleman who was given £100 and asked to give an account. He made an account which gave, neck-tie 1½s. collar 1s., and miscellaneous £99-17-6. This is the position of our railways as compared with that of other railways because the whole of the depreciation fund is put under 'miscellaneous'. In the other countries they have no column under this head. I say, follow the practice of the other countries and follow what everybody else is doing. Why adopt a new method and cheat the taxpayer? I tell you why I call it cheating because the Finance Member may put me the question. When the Tariff Board Committees go into the question of how much money is to be set aside for depreciation, the company says that a large amount should be set aside, but the Finance Member says, "No, it will be cheating the taxpayer and the Finance Department. Put what is reasonable". But here they put a very good morsel under the head depreciation fund and the balance that is left is called surplus, but that is a smaller surplus because of the larger share put in the depreciation fund in a wrong manner. If my suggestion is adopted, the share of surplus will automatically increase and we get four crores more which is wrongly and incorrectly put in the depreciation fund.

Now, the other point I should like to make is that this thing is unnecessary, because it complicates the financial issues. I can point out certain 12 Noon. figures and it will be very difficult to decide whether that particular expenditure should be put under depreciation or under revenue or under capital. I challenge any financial expert on the railways to tell me under which heading it should be classified. Different experts will have different opinions on this point and this difficulty has arisen on account of the wrong system of accounting and your wrong policy. You should follow one simple principle and it is this. If any expenditure brings you income, it should be put under capital expenditure. If any expenditure does not bring any income, it should be under the head revenue. This simple test should determine under what head the expenditure should be classified and you do not require any expert accountant to tell you under which heading the expenditure should be shown. The system that you follow is really like putting a third wheel to a bicycle, which will only retard its smooth running. You may say it is safe but it is really clumsy and it retards the progress of the wheel. So, this thing is unnecessary.

The next point is this. Take the example of a pair of boots. Suppose I purchase a pair of boots. I keep a very good account. I borrow from capital or revenue or from depreciation. I buy it for Rs. 82. The normal life of that boot is 8 years. I set aside Rs. 4 from my general revenue for depreciation. After three years, it wants re-soleing. I thought that if it is re-soled, its life will be increased still further. The value of that thing will not go up, because even if it is repaired, it cannot bring in more money. It will be very difficult to decide whether I should take the amount from depreciation or capital or revenue. Suppose a line is abandoned. They have not yet made up their mind as to under what head it should be shown. The reports that they have are very contradictory. One committee says one thing and another committee says another thing. Some people say it should be met from reserve, some say partly from depreciation and partly from reserve, while others say it should be paid from the revenue account. This confusion has also arisen from wrong accountancy. There is also this wrong method of creating a depreciation fund. I, therefore, request that we should in the first instance revise this wrong policy of the depreciation fund. This four crores which will be released from the depreciation fund will come to the general revenues. During the war, we want money very badly for our successful prosecution of the war and we allow only as much to the railways as is absolutely necessary. For example, they should

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build up a special reserve in the name of the suspense account, to bring in their replacements and renewals, as soon as the war is over. That is permissible, and that which remains over and above what is required for the railways should be given to the general revenues. That is the policy which we ought to adopt and follow, and the system by which we have built up the depreciation fund should disappear altogether.

The other point which is also very important is what should be the maximum value of this Reserve Fund. This is a thing which you cannot discuss by means of speeches in this House. It will have to be carefully calculated and considered in greater detail and it is for this reason that I have suggested the formation of a small committee which should read the arguments of the Dickinson Committee and other committees. In the policy we adopt, we should also bear in mind the years of depression that may follow after the war, just as we had from the years 1930 to 1935. We must make provision for that. This thing has got to be very carefully considered. I myself propose 75 crores roughly in one of my amendments but I feel myself that you cannot give a definite figure in an extempore manner. That is not fair to the House and not fair to the general revenues and not fair to the railway administration itself. The first thing that I should like the committee to consider is our policy of depreciation fund. I think we are not fair to the general revenues by setting aside unnecessarily, against the practice of all other countries, an additional amount of four crores every year, which ought to be released to the general revenues. We ought to build up a reserve fund and anything over and above that should go to the general revenues.

The third point I should like to be considered is that we are bound by the Convention of 1924 to pay back the arrears to the general revenues but we are not bound to pay back all the money that we have taken up from depreciation. My friend may say "No, the depreciation fund should be used only for depreciation". I remind him that it is called depreciation reserve fund. If the money is wanted for other purposes, you can fall back upon this fund, because it is not depreciation fund. It is also called depreciation reserve fund. Just as many people keep two accounts, one for the income-tax people and one for themselves, here you have the depreciation fund which you cannot touch and the depreciation reserve fund which you can touch but practically speaking both of them are the same. We say that some portion of the reserve fund ought to go to the general revenues. In a small speech on the floor of the House, I cannot say what should be the actual value of that. We will have to go into that carefully in the committee. I assure my Honourable friend that we have every sympathy with him. We want to build up our railways on a solid foundation. We are anxious to help the general revenues during the war to our maximum capacity. At the same time we should now build up a sound system of finance, at a time when you have plenty of money. When you are under depreciation, you will have no money. This is the proper time to build up a sound policy. I beg the Honourable Member to take a careful note of all these points and not to hurry the Resolution. I ask him to refer it to a committee of this House.

Mr. Govind V. Deshmukh: The Convention which is sought to be modified by this Resolution is mentioned on page 3869 of Vol. IV of 1924 of the Assembly Debates. It will appear from a perusal, there was an idea of fixing up a definite and regular figure, so that the railway finances as well as the general finances may be built up on proper lines. With that view, they proposed this Convention and it will also appear from the perusal of that Convention that there was no such idea as the building up of a depreciation fund. For instance, first of all, we come to clause (2) which gives us an idea as to how the surpluses of the Railways should be allocated towards the general revenues. In clause (3) we find that "any surplus remaining after this payment to general revenues shall

be transferred to a railway reserve; provided that if the amount available for transfer to the railway reserve exceeds in any year three crores of rupees only two-thirds of the excess over three crores shall be transferred to the railway reserve and the remaining one-third shall accrue to general revenues". In clause (4) we have it as to how "the railway reserve shall be used to secure the payment of the annual contribution to general revenues; to provide, if necessary, for arrears of depreciation and for writing down and writing off capital; and to strengthen the financial position of railways in order that the services rendered to the public may be improved and rates may be reduced". These were the principal ideas which guided the framers of the Convention then.

Now, Sir, we had a forecast of this Resolution in the speech that was delivered by the Honourable Member. In paragraph 18 of his speech he said:

"The main question is whether the proposed allocations to railway reserves are adequate."

That is the crux of the whole thing:

"In an attempt to assist general revenues, are we being generous at the expense of railways? On the one hand, we must consider particularly the provision of adequate funds to cover post-war rehabilitation and to meet our interest charges in periods of depression and, on the other, the plight of the general tax-payer."

Now, it will be seen from the figures that I propose to give that larger amounts were being contributed to general revenues; if it was so, why should a Resolution like this be brought at this stage? For instance, in the year 1925-26 the Railways were contributing, in round figures, 6·7 crores. In 1941-42 the Railways contributed 20·17 crores and in 1942-43 they contributed 20·13 crores. Evidently, the general revenues are getting more and more slices out of the surpluses. If that is so, where is the necessity of giving more money to the general revenues? I do not say whether they should get or not but a case has got to be made out. It is a matter for inquiry. When they are not borrowing any money and they have cleared their debts due to depreciation fund and when they are meeting other expenses and making surplus profits, why is it that they want to make an arrangement by which a larger portion should be contributed to the general revenues? For that they must give us reasons.

The Honourable Sir Jeremy Raisman (Finance Member): Does the Honourable Member realise that the latter figure he mentioned in relation to the year 1942-43 is only arrived at by going beyond the scope of the Convention?

Mr. Govind V. Deshmukh: I am merely saying that reasons are to be given for making this change. I am not saying that you may not be needing this money but we cannot gather how you have arrived at this figure. How do you say that in 1942-43 you will require so much amount? You are anticipating things. You should give us reasons and we must sift them. I do not say that you have no basis to arrive at a particular figure and even in this particular Resolution you say that you wanted a definite figure. You merely give a proportion of the surplus—75 per cent. to go to the general revenues and 25 per cent. to the reserve fund, but why not more for the reserve fund and less for the general revenues? I am merely suggesting that these are matters which must be gone into. You must explain why and how you have arrived at this figure.

Having said that much, let me say one or two things which ought to guide us. In 1924-25, when this Convention was being debated, there was a suggestion from the popular side of the House, as it was then constituted, that a larger share of the surplus should be utilised towards the general revenues and the then Member in charge, Sir Charles Innes, said, "No, we should not have a larger share for the general revenues". Why? He answered, because you would not be in a position to reduce the rates. He said, "We do not want to tax transport and it is the policy of the Government that the fares and rates should be reduced". If we go through all those lengthy discussions, this will be apparent. Now, how is it that when the popular side were prepared to make an offer that a greater share of the surplus should be utilised, the Honourable

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Member in charge then said "No"? It shows that there is another side to this question also, namely, when you are earning more money, the rates and freights should be reduced. You cannot ignore this.

Now, Sir, it was said by the Honourable Member that although we have got this surplus, it is not advisable to reduce the rates and freights. His exact words were: "There would be no change in the fares and rates". Those are not the words which bring cheer to us. As a matter of fact, those words depress us. From the point of view of the agriculturist you have got to consider whether it is not possible for you to reduce the rates and fares. From the point of view of third class passengers, whose interests were very much before the Honourable Member who was then moving for this convention, we have to find out whether it is not possible to reduce the rates and fares now. This Government could very well do it but it won't. On page 9 of the Honourable Member's speech there is a reference to a certain passage in which they disclose how they were able to make large revenues. One of the reasons is the imposition of an additional charge of 12½ per cent. on fodder and food grains booked in small consignments. So, it is the poor agriculturist who is hit thereby. Is there not another point of view? Could you not consider this point of view and give relief to howsoever small extent it may be? It is desirable that all these points should be considered. Then, Sir, the rates and fares affect the Indian trade and the Indian commerce. These are the points which should also be considered while you are giving a bigger slice to the general revenues. Then, you have to consider whether a contribution of 25 per cent. to the reserve fund will be sufficient if you have to take the interests of the employees into consideration and if you have to meet the other contingencies which may arise. These are the points which must be taken into consideration. It is not enough to say that the war is on, we must, therefore, use our surpluses to help the Government and not relieve the general tax-payer. The majority of people who live in this country are poor people and their point of view must be considered. Therefore, this is also a consideration whether you should not build up a bigger reserve than 25 per cent. to which you refer. I am suggesting all this with the idea that you should take into consideration all these things, because you propose to give 25 per cent. to the general revenue and 25 per cent. to the railway reserve.

The passage to which I was referring is also to be found in paragraph 15 of his speech where he says that "it is proper to mention that we are not contemplating any general change in the existing fares and freights, next year". We should desire you to contemplate a change in order to reduce it. My Honourable friend, Dr. Sir Zia Uddin, has already touched this question about the depreciation fund and so I will not refer to it in my speech.

These are the points in short, namely, that you cannot, unless you go through all the facts and figures, approach this question from all points of view and you cannot fix up a ratio of 75 and 25. It is, therefore, very necessary that this question should be thoroughly gone into by a committee of the House.

Sir F. E. James (Madras European): The division of opinion is, I think, really not so much on a matter of principle on which we agree as on the time and manner of its application. The Honourable the War Transport Member will realize that the burden of the speeches both of the learned Doctor and of my Honourable friend who has just sat down is that the railways should be put on a sound financial basis, and with that object we have every sympathy. In fact that has been the burden of our speeches during recent years. Therefore, all agree with the necessity for revision. The only disagreement is as to the time and manner of that revision. I think the suggestion made by my Honourable friend, Dr. Zia Uddin, of appointing a committee of the House is not, if I may say so, the best method of tackling this problem at the moment. Obviously, the House

must examine any proposal for revision which may come before it; but examination by the House should come at a later stage. In the meantime the War Transport Member will, I hope, not go away with the impression that we would like the whole question to be left till after the war. On the last occasion on which I spoke on this subject on behalf of my Group I requested that an investigation should be undertaken even during the war, so that at the end of the war railways should be able to face the new conditions in a reasonably strong financial position. Therefore, the suggestion is that investigations should go on. They must in the first place be of a technical nature. Very few Members of this House, possibly with the exception of Dr. Zia Uddin himself and the Financial Commissioner, are competent to undertake the technical investigation which is involved in all matters relating to the depreciation fund. There is the question as to whether the present principle of allocation has not become out of date with the increased depreciation as a result of the excessive use of railway assets during war time. There is also the question as to what size of reserve fund will be required and whether there should not also be in addition to the depreciation and reserve fund a betterment fund. As these are matters which raise very important financial questions, they should in the first instance be gone through by technical and financial experts. Therefore, I hope the investigation that will proceed between now and the end of the war will be undertaken by the Financial Advisers and experts who are attached to the Railway Board, and any others who may be invited to assist the experts in their examination. When these investigations have reached a certain stage where they may issue in specific recommendations, then this House should be, as soon as possible, seized of such proposals.

I do not for a moment suggest that the Committee proposed by my Honourable friend is not extremely good one; but I find that there are already Committees of this House and of the Legislature the services of which should be utilized for this purpose. The recommendations regarding the financial clauses of the Convention might, I suggest, be considered, in the first instance, by the Standing Finance Committee for Railways. That is a committee of the House. If my Honourable friend, Dr. Zia Uddin, wants a good committee—a motion will be brought before the House shortly for the election of members from the various Parties for that committee. Other matters should be considered by the Central Advisory Council for Railways, which again is a committee representative of the Legislature. I hope very much that the learned Doctor will find himself an elected member of both these Committees. I am quite sure that his profound knowledge will be of great value when we come to discuss this question.

Dr. Sir Zia Uddin Ahmad: In 1924 when the subject was examined by the Railway Standing Finance Committee and the Central Advisory Committee for Railways, the House appointed another Committee to examine the whole question.

Sir F. E. James: Of course at that time. I do not suggest for a moment that the only body fit for the examination of this question should be the Standing Finance Committee for Railways. When proposals come before us, naturally we may wish an *ad hoc* committee to consider them. But now is not the proper time. I do not think we actually differ on principle; we all agree that revision must come and we ask that that revision should come for examination by this House at a later stage.

Mr. Lalchand Navarai (Sind; Non-Muhammadan Rural): Why not now?

Sir F. E. James: I am afraid my Honourable friend has not followed. It is very difficult for me to convince him. The point is that the matter has not yet reached the stage where the examination by a Committee of this House would be suitable. That is my point. You may disagree with it, but that is my point. I suggest the House would be well-advised to accept the motion as an interim arrangement now and request the war Transport Member to assure the House that he will proceed with the investigations on the lines I have suggested and when these investigations reach a certain stage when they may issue in recom-

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mendations is that he might place them before the two committees which are already parts of ordinary procedure and machinery of this House for considering these matters.

In conclusion I repeat that everybody is anxious to put the railways on a fair basis and we, particularly, are not anxious that we should be confronted at the end of the war with a situation in which preparations which should be considered during the war will not actually be ripe for being put into effect at that time. I agree there must be give and take on the principle as between the railway and the general budget. I, therefore, hope that the House will accept this Resolution and not insist upon the amendment moved by my Honourable friend, Dr. Sir Zia Uddin Ahmad.

Mr. Govind V. Deshmukh: May I ask on a point of information whether this proposal that is put forward before us today in the shape of a Resolution had the support of the Railway Standing Finance Committee? Was it placed before the Railway Standing Finance Committee?

Mr. T. S. Sankara Aiyar (Government of India: Nominated Official): No. For the information of the House, I may just mention that the manner in which the surplus was to be divided both for this year and next year was fully explained to the Standing Finance Committee for Railways. But all the members reserved their opinions regarding that method. They did not want to commit themselves to any definite view. They merely agreed to the demand being placed before the Assembly, and did not express their views regarding the manner of division of surplus.

Pandit Lakshmi Kanta Maitra: Is it not a fact that the Standing Finance Committee for Railways was not given the slightest indication. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member will have his turn to speak.

Mr. Muhammad Naumani (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I rise to support the amendment moved by my Honourable friend, Dr. Sir Zia Uddin Ahmad. Of course, we hold to the pious hope that the Honourable Member for War Transport will see the advisability of acceding to the unanimous wishes of the elected section of the House. My Honourable friend, Sir F. E. James, has agreed on principle to the examination and revision of "Convention" by a committee of this House, only making a comment in the sense that he thinks that primary investigations should be made before the matter should be brought before the House. Whether those investigations could be made during the deliberations of the Committee or not is a matter in which we beg to differ from Sir F. E. James. So, I am justified in saying that this is the unanimous wish of the House that the proposals as placed before us should be examined by the Honourable Members of the House through an elected committee. They should be given an opportunity to look into the provisions and the implications of how and where we will stand. We, on this side of the House, are certainly anxious to see that our railways work on sounder basis and are able to have a sound finance, but at the same time, we are equally anxious to see that the general exchequer does not suffer. These are high technical questions of Financial adjustments in which close study and closer deliberation are absolutely necessary. To come before the House with a Resolution and then ask us to give sanction to it is something which probably Honourable Members on the Government Benches will understand has not been the parliamentary practice in any country, including the House of Commons of England even in these difficult days of war urgencies.

Now, Sir, I know it will be a voice in the wilderness which will not probably go beyond this guided House. I hope and trust that Government would not disappoint the non-official elected Members even in such matters, as I believe the Government has no desire to keep anything secret or do anything behind our back. If Government has no such desire, then certainly there is no reason why they should not allow Honourable Members of this House to contribute to the

discussion after they have fully studied and surveyed the principle underlying this Resolution. We are trying to decide whether the entire Convention of 1924 should be revised for the interim period of war or only the part which is embodied in the Resolution of the Government. Certainly we can make our recommendations for conditions during the war and the interim period which has been referred to by the Honourable the Member for War Transport after a brief examination. That is the point which I wanted to impress on the Government in support of the amendment moved by my Honourable friend, Dr. Sir Zia Uddin Ahmad.

Reference was made by the Honourable the Financial Commissioner for Railways to what took place in the Standing Finance Committee for Railways. The point is that we, as members of that Committee, reserved our opinions, particularly realising the implications and knowing that we were not in a position to decide such vital issues without consulting the opinions of all other members of our own Parties. Without consulting the other members of our Parties, we did not consider ourselves competent at that particular time to give expression of our views in a haphazard manner. The Honourable the Financial Commissioner should have easily seen what our feelings were in so reserving our rights on that particular issue. Certainly we understood that we would be taking too much responsibility in saying, 'yes' or 'no' to the proposal which was placed before us without sufficient data or materials.

The other point I want to discuss is this, whether it is necessary or not to have a third Committee. The Standing Finance Committee for Railways is particularly meant to look to the interests of railways and railways alone, and to administrative matters involving expenditure and receipts of Railways. The General Standing Finance Committee is to look to the general position of the exchequer of the whole country. So, I do not suppose that any one Committee, individually and separately, would be competent to do justice to a matter like this, unless both the Committees are one and the same or a third Committee of the House is appointed which would look to both side of financial adjustment the general exchequer and also the railway exchequer.

Sir, I do not want to take much of the time of the House in describing what has been the position of the railways in this country. We have always taken the stand, at least the Government made us believe that railways are also of public utility service, and as such we have got to look into the issue as to how much it has proved to be of the class of public utility service. The Honourable the Member for War Transport in moving his Resolution said that the earnings of the railways in 1942-43 revealed an addition to the revenue of only about 6½ per cent. from the general public, excluding earnings on war transport movements. This is admittedly another issue, a more complicated question whether you want to turn out your customer who pays you or you want to offer them facilities. You put all sorts of obstacles and difficulties in the way of your customers who pay you. Of course, I do not want to dilate on that issue at all at this time.

Now, Sir, I come to the question of finances that may be involved after and during the war. Reference was made to depreciation fund and reserve fund. Sir F. E. James, referred to a third fund, the betterment fund or something like that. Dr. Sir Zia Uddin Ahmad said he would like to build up a reserve fund of 75 crores, but nothing of depreciation fund. He also tried to prove that that was the practice over all the railways in the world. He further said that reservation of 12½ crores in depreciation fund was not justified and that depreciation fund should have been only about eight crores. However, personally I am not yet decided in my mind, whether I can agree to the financial adjustment suggested by Dr. Sir Zia Uddin Ahmad. So, that only shows the extreme necessity of Members of this House for making a closer study before coming to a final judgment and certainly after seeing all the implications which are involved. The Honourable the Finance Member or the Honourable the Member for War Transport may feel and even rightly that whatever proposals they have brought

[Mr. Muhammad Neuman.]

forward are absolutely correct we may also come to the same conclusion in the end. But, why not give us an opportunity of studying the papers and recommending you in a manner which may be absolutely on the same lines as you want us to do now. We may come to the same decision at which you have arrived after probably a more closer study of things than we have had time to do. With these remarks I support the amendment to the original Resolution.

Sir Cowasjee Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, Sir. It might be considered rather audacious on my part to speak on this Resolution as I am by no means an authority on Railway finance, but after the speech of my Honourable friend, the Doctor, as he is called in this House, I feel that we are rather at cross purposes. My Honourable friend has been attacking the Convention of 1924.

Dr. Sir Zia Uddin Ahmad: The manner in which it was given effect to; not the convention.

Sir Cowasjee Jehangir: At any rate, he appeared to me to be attacking the convention as something quite extraordinary and not in conformity with the practice in any other part of the world. The convention was adopted in 1924 and unfortunately, my Honourable friend was not a Member of this House in those days.

What we ought to be discussing, is the variation in the convention for the time being, which is suggested by the Government, and although I was trying to learn what I could from his speech I was not able to follow as to what specific objections he had to the changes that were proposed by Government only for the duration of the war. Four changes are suggested: The first and the most important is that more money should go to general revenues than is allowed by the convention. Let me point out that in war time most conventions go to the wall. I do not know of any conventions that can stand in war time, certainly conventions of such financial importance as the convention of 1924. So, as I have said, the first proposal is that more money should go to the general revenues than is allowed under the convention.

Dr. Sir Zia Uddin Ahmad: My suggestion is that more money ought to be given. This is not enough.

Sir Cowasjee Jehangir: The second is that the responsibility to pay a certain amount to general revenues in ordinary times should be omitted from the convention for the time being: that is to say, the Railways should be relieved of the responsibility to pay to general revenues when bad times come.

Pandit Lakshmi Kanta Maltra: It does not say that.

Sir Cowasjee Jehangir: If I am wrong, I will be contradicted by the Honourable the Mover of the Resolution.

The third part of the Resolution is in regard to the arrangement for 1943-44, and the fourth sets aside the convention completely during the period of the war. These are the four proposals that are placed before us. Now, if my Honourable friend wants more money for general revenues during the period of the war.

Dr. Sir Zia Uddin Ahmad: This is just what I want.

Sir Cowasjee Jehangir: . . . he can move an amendment that Rs. 2,35,32 thousand is not enough, and we can understand what he wants and, therefore, vote with some clear conscience as to what we are doing. If he considers that the Railways should continue to bear the responsibility of contributing to general revenues even in bad times, he can say so and move that No. (ii) be omitted. If he disagrees with the proposal for 1943-44, let us know how and where. And the last, putting aside the convention altogether and leaving it open to the Government to make proposals for the years following, is, I consider, the most important. It practically gives the Government a free hand for the future.

There is one point: Such matters cannot be considered by a Committee such as proposed by my Honourable friend. You want a Commission appointed

to be able to arrive at definite conclusions with regard to how this convention should be amended for the future. It cannot be done in war time. In war time all you want is more money for general purposes and that is what is proposed. You cannot possibly ask for a Commission to be appointed in war time, and I do not think that this matter can be considered usefully by the executive of the Railways and a report made to this House—it will not be good enough. You will have to get experts from other parts of the world and you cannot do it now. If this convention is to be considered on its merits, as it ought to be—I will repeat my words—it can only be done by experts from other parts of the world with knowledge of all Railways. You want another Acworth to come out to this country and then the Government, the public and this House will be in a better position to realize how this convention ought to be changed.

Dr. Sir Zia Uddin Ahmad: May I ask one question? I have suggested in another amendment that 18 crores odd shall immediately be transferred to general revenues and there should be no fresh taxation.

Sir Cowasjee Jehangir: The Honourable Member has not moved that. I am confining my remarks to the amendment suggesting a committee to examine the question. I am not in a position to discuss the second amendment—I do not know what it means, nor do I know its implications. What I can make out from his remarks is that he wants the Reserve to be built up to 75 crores and then take the balance—I must say I do not understand its implications. But there is one point which I think is of considerable importance and that is, when this convention was adopted in 1924 and ever since then, the Honourable Members responsible for this Department have been informing us that one of the objects of this convention is to give facilities for the travelling public and to trade and commerce. So far as I can make out, when we have had bad times—and I have been in this House during the worst times—rates and fares are put up because we had bad times and we wanted more revenues. And then when you have surplus revenue, when you are making greater profits than you ever dreamt of, you put up the rates and fares because you want to discourage the public from travelling. Well, when is the public going to get any relief, I ask for an explanation.

The Honourable Sir Edward Benthall: I think I said in the general debate that we have not in the past, as far as I remember, put up rates for the specific purpose for discouraging traffic.

Sir Cowasjee Jehangir: Then for what did you put them up?

The Honourable Sir Edward Benthall: I have not put them up this year.

Sir Cowasjee Jehangir: Not this year. But I know I am paying much more to come to Delhi than I did before the war.

The Honourable Sir Edward Benthall: I think the Honourable Member can travel third class the same distance for a rupee as he could have done before the war.

Sir Cowasjee Jehangir: At any rate, rates and fares have been put up. Besides. I confess, I am not an authority on the subject. I know that rates and fares have been put up. The Honourable Member has been good enough to say that they are not going to put them up this year. Then when are the public to get any relief. That is a point which the Honourable Member will have to consider. By all means take the surplus to general revenues in hard times. Break the convention by all means. Also, if you like, relieve yourself of the responsibility of paying to the general revenues in the future for the time being. Make these temporary changes. Such changes have to be made in war time. You cannot help it. As a matter of fact, considering the issue from a wide aspect this is a domestic question—railways and general revenues. They were not separated before. Making a change during war time is not only necessary and essential but it is something that is not exceptional either. I would, therefore, urge that the Resolution be passed: that Government be urged as soon as possible to look into the matter of the convention more seriously than suggested by my

[Sir Cowasjee Jehangir.]

honourable friend, Sir Frederick James, by getting in experts, by appointing a Commission, if necessary, to see how this convention can be amended. My own view is that during war time, and even immediately afterwards, conditions will so change that an investigation may not be appropriate. You must wait for more stable conditions. You must wait to see how conditions are immediately after the war. You may appoint, as my Honourable friend, Sir Frederick James, said, a committee to investigate. They may report and by the time the report is out the whole circumstances may change, the whole conditions may change in the world and the report will be out of date before it is printed. I have known of such cases in just as important matters as this, where committees' reports have been antiquated before they have been printed because circumstances have completely changed in the world. Therefore to ask just now for a committee of this House to consider an amendment of the convention is, I think, asking for too much, and asking for something from which neither the public nor the Government, nor will this House benefit. Government are laying down here very strictly what they are going to do. Control we have never had. You will have less control as long as all those Benches are empty. So it is our own fault that we have no control, or that we have much less control than we ought to have. But let us exercise such control as we are able to. Therefore, I would suggest, as far as I am concerned, that this Resolution be accepted for the time being. But I admit that I do not like the last clause which gives a very free hand to Government for the years that follow. As a matter of fact the last clause practically knocks the convention on the head. I will just read it.

"For subsequent years and until a new convention is adopted by the Assembly, the allocation of the surplus on commercial lines between the railway reserve and general revenues shall be decided each year on consideration of the needs of the railways and general revenues, the loss, if any, on strategic lines being recovered from general revenues."

The Honourable Sir Edward Benthall: By the House.

Sir Cowasjee Jehangir: Yes, yes. But we know what it means "by the House". It means "by Government" with the House as it is. Therefore, I would suggest to the Honourable Members on the Government Benches that when further changes are made more time may be given to the public to consider them and that this House should also be given a little more time than on the present occasion. I quite agree that just now we are in war times and budgets have to be framed. Right or wrong, we have to accept it. But in future, after the next year, I do hope that this matter will be given more serious consideration and we shall have more facts and figures placed before us, and that we shall have some sort of report from people who are in a position to express an opinion, and also that it may be laid before us so that the public can also judge on the merits of the proposals.

Dr. Sir Zia Uddin Ahmad: Does the Honourable Member agree that they should not hoard money by increased rates and fares, but that this hoarding should be transferred to general revenues?

Sir Cowasjee Jehangir: My Honourable friend has his own opinion on the matter. I have none. But if he has an opinion, and it is very definite, let him move an amendment to clause (i) and ask for more.

Mr. President (The Honourable Sir Abdur Rahim): I think the Honourable Member ought to go back to his seat.

Mr. Lalchand Navarai: Sir, there are three motions before this House at present. One is the Resolution itself, asking that the old Convention should terminate to an extent, and instead of it four clauses have been suggested in the Resolution which should be adopted. Then, Sir, the second motion is with regard to the postponement of the consideration of this Resolution, and that a Committee of this House be appointed to consider the question of the Resolution. The third motion is that a certain lump sum be passed over to Central revenues. Sir, I am not in favour of this Resolution being passed

without full and sufficient consideration. Sir, I am a member of the Railway Finance Committee, and I must say at once that the Railway Finance Committee has not considered this question at all. It was reserved for the House to consider. My friend, Sir Frederick James, was also a party to this question being reserved for the House. I am very sorry to see that now he is not of the opinion that this Resolution should first be considered by a committee,

1 P. M. but should be passed forthwith and then during war time—unlike the Honourable the Railway Member who wants it to be considered after the war—it should be considered. If his suggestion is that it should be considered by the Finance Committee or the Railway Advisory Council first, the position is this: that in the Finance Committee we were not considering it because we thought that a committee of this House will consider it better. . . .

Sir F. E. James: May I just correct my Honourable friend on one point? Actually in the Standing Finance Committee the question of appointing a committee of this House was never discussed. When the matter came before us, we had no time to consider it and therefore we thought that it was much better that the matter should come before the House, when Members would be free to give their own views.

Mr. Lalchand Navarai: That did not mean that we are barred from making this suggestion for a committee. There was no question of making any suggestions in respect of a committee or an expert. We did not consider it there. But we suggest here that the Finance Committee also has not considered this very important Resolution and to pass it forthwith will be absolutely wrong. This question is a very important one. It is technical and it affects the efficiency of the department and the facilities given to the public. If we act according to the suggestion of Sir F. E. James and pass the Resolution now and investigate later, it will be something like putting the cart before the horse. We have not considered the matter at all, and we are groping in the dark now; and we are told that the matter should be investigated later on, after passing the Resolution. The Honourable Sir Cowasjee Jehangir does not also like executive consideration—he wants an expert to consider it. This is a very important matter. When a Convention so very deliberately arrived at after so much consideration is going to be terminated and another Convention is going to be made, it is too important even to be considered by an expert. But if it is considered that an expert or a commission will take a very long time, I can understand that. But what reason has the Honourable Railway Member to say that a committee should not be appointed? Why do the Government want to shirk a committee? They want us to give sanction forthwith to their proposals. They say no doubt that there will be an investigation after the war, but under the excuse of war we should not give away all the rights of the public and even our rights. If you bring forward war as the reason, then I say, close the House, close everything. Think only of one question, winning the war. Do not attend to any kind of legislation or anything. Things are going on, the administration is going on; legislation and many other things are being done you are appointing standing committees; and why should not this question be considered by the members of the House, in a committee and not at once? Therefore it would be only wise on the part of the Government and the Railway Member not to be in a hurry like the Americans—who as I see are always in a hurry and don't mind tumbling down. There should be no tumbling down on this question—I do understand that the war effort has to be helped and the Central Government should be given money for that purpose; but we should not ignore the efficiency of the railways or the facilities to the people or the welfare of the travelling public. These things are now being shelved more or less. You say only "Look after the war." We say, "Give the surplus 22 crores next year to the railways". There will be 22 crores balance which will do so much good to the railways in the way of providing facilities and amenities to the public.

[Mr. Lalchand Navalrai:]

In these days, you should not squeeze money out from all directions. You should keep the public happy and give them some facilities. Look at the inconveniences they are having to suffer now; we do not even have proper water facility in the toilet rooms: there are no proper catches: a piece of wood is plugged to the tap and once it is taken out, all the water goes down and the tank is emptied. I merely say this: do not be in a hurry. Agree to the amendment moved that a committee should be appointed and this question considered from all points of view. It comes to this now, that we cannot wait for an expert, we cannot wait for a committee; we have to consider it ourselves straightaway and we do not know whether we are doing the right thing or the wrong thing—you are not giving us time to consider. This House is very thinly attended and you want us to pass it now, forthwith. Do not do anything that will not be creditable to the House or the Treasury Benches. We have our responsibility to the public and our constituencies. What will they say if we do as you ask us? We have given away everything: we have given away all the surpluses and everything to the Central Government, and still everywhere you are putting us to all kinds of inconvenience and giving us no facilities. The position is this: this year we have 36.28 crores, and the contribution which would be otherwise given—1 per cent.—will be 5.14 crores, and the arrears of contribution will be 12.65 crores; that is being given because there is a debt payable to the central revenues; then we also give 2.36 crores and that is a gift. This was a question which came prominently before the Finance Committee. We say, we are not going to make a gift now. You have been giving gifts, and even beyond the convention, you are giving 2.36 crores, without any consideration. Next year the surplus will be 36.4 crores. They will take Rs. 27.9 crores, leaving a balance of Rs. 8.93 crores. Otherwise, if we carry out the convention in a reasonable manner, we shall have to give only Rs. 5.15 crores, and the balance will be 22 crores. That would be available for improving the conditions of the railways. What I would say is this. Instead of giving away 22 crores next year, give 5.15 crores as required by the convention, and then, unless you agree to a committee—let a committee be appointed and go into this question. If they say, give more, and so much will be available to the travelling public, that would be a more reasonable procedure. But to say, no, whatever we have thought of as necessary administratively or executively, should be done,—I do not think the House should agree to that. Then we find so many items which are required and necessary, which should be attended to by the railways. After all, the railway is a public utility service and you should first of all give some help in the reduction of rates and fares. Rates and fares have been increased several times. No doubt when there were deficits, it was necessary that there should be some increase in rates and fares to help the railways.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is up. The House stands adjourned for lunch till half past two.

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, Syed Ghulam Bhik Nairang (one of the Panel of Chairmen) in the Chair.

Mr. T. T. Krishnamachari (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I rise to support the first amendment moved by my Honourable friend, Sir Zia Uddin Ahmad. The main operative portion of the Resolution that has been moved by the Honourable the War Transport Member appears to be clause 4 and, according to this clause, what the Government seems to want the House to do is to agree to allow the question of settlement of surpluses in the railway finance to remain in a fluid state. The key-note of the speech made by the Honourable the War Transport Member in introducing the Resolution seems to be—we are not in a position to make up our minds with

regard to the needs of the future. In fact, Sir, a challenge was put forward by him, if I heard him correctly, to the Members of the House, to this effect—who is there bold enough to say that such and such is the line which we should take in this matter. Reading the speech of the Honourable the War Transport Member, when he introduced the Railway Budget, one seems to get an inkling as to what was passing through his mind. He said at that time that the question was one of conflict of interests between railway finance and general finance. Apparently, the Honourable Member is unable to resolve the conflict in his own mind and I am thankful, speaking for myself, that he did not suggest that such Members of the House as sought enlightenment with regard to the solution of this conflict should have recourse to an astrologer, following the example of a colleague of his who made a similar suggestion in this House some time ago. If astrology can solve our problems, everything will be very easy but it does not look as though it can really solve our problems.

Sir, I must say that I was not particularly impressed by those speakers who sought to support the Government motion and sought to decry any question of the examination of this position by a committee of this House. At any rate, their attitude did not seem to be consistent with the self-respect of the House, however depleted in numbers it might be. Sir F. E. James who, I believe, has been taking a great interest in the question of the Railways for a long time past had moved a cut motion the other day asking for a four point programme on the part of the Administration in regard to the question of reconstruction and it seems rather a matter of going back on his own wishes—subjugating his desires to the needs of the moment when he rises today and says "Well, the matter need not be examined at present and the Government Resolution could be accepted". I was not aware of what the Honourable Member, Sir F. E. James, mentioned in his speech the other day, because I was not in the House, nor did the newspapers give us the benefit of what he said, but since one understands that Members like Sir F. E. James have been all along wanting a clear and definite policy on the part of the Government with regard to the future of the Railways, I fail to see how he could accept a position so fluid as is suggested in clause 4 of the Resolution that is before the House. Another member suggested that this is not the time for us to go deeply into the question and he said "We had better accept the Government's position". At the same time he criticised the nature and contents of clause 4 of the Resolution. I refer to Sir Cowasjee Jehangir. That Member said that in war time conventions have got to be overruled and that everything should be done in order to strengthen war effort and perhaps according to him the only guiding principle in war time is necessity. Well, it may be that he is a follower of that old adage—everything is fair in war and something else. But I do not suppose that we can accept that position, which, I believe, indicates self-pity that we are not in a position to decide a matter which is of vital importance to us. I do not say it is possible to be perfect or even to be correct in making a decision but a decision has got to be made and a decision cannot be postponed indefinitely which is what the Government are asking us to do. But is the matter at all such plain sailing as it is indicated to be? Is it merely a matter of the War Transport Member not being able to make up his mind with regard to the future? Surely, Sir, he does not belong to the bureaucracy which lives from day to day and cannot visualise the future and its needs. He was a businessman. He was accustomed to making estimates. He has knowledge of accountancy. He is aware that one might be wrong in his estimates but he cannot deny that estimates have got to be made even in the running of a business. I would have accepted such a proposition coming from a member of the bureaucracy as having some validity but it is surprising to me that the War Transport Member who was a businessman should ask the House to believe that he cannot make up his mind and so refuse to give us some guidance with regard to the future needs of railway finance and general finance. It may be that we in this country are accustomed to see the ghost everywhere, the ghost of a political objective in the background, some reason

[Mr. T. T. Krishnamachari.]

which the government do not want to disclose to us. Is there any substratum of truth or fact in the supposition that I have dared to make? I would like the War Transport Member to tell us frankly whether he would not take a decision because other considerations, political or otherwise, will come into play and influence the result at a time when the decision has got to be taken.

About the objection to the amendment of the European Group in this House I can only speak from history, because I have not got first hand knowledge. They have always stood for strengthening institutions. Their mentality is such that they are fond of institutions which they feel should be supported at any cost and no revolutionary departure ought to be made with regard to the handling of institutions and perhaps it is that failing or virtue on their part that has made them friends of railway finance all the time. Reading the debates in the Assembly in 1924 and before, one finds that the European Members have been very strong in supporting the convention, in supporting the proposal that the railway finances should not be depleted for the benefit of the general revenues and that the contribution to the general revenues should be restricted as far as possible and today, I cannot understand why those people who habitually support institutions do not really think of the welfare of the Railways. Here is a proposal which according to clause 3 wants the major portion of the surplus to be given away to general finance. Surely, that is not in accord with the usual principles that are supported by the European Group. It may be that they made this exception because they feel that the war effort and the general revenues which support the war effort need this additional contribution from the railways.

Sir Basil Blackett, speaking in 1924, cautioned the Members of the Assembly that if they won't accept the convention and if they want more contribution from the railways, then they will be depleting their own assets. It looks as though today the large amounts of money that we are taking off from the railways to the general revenues is a process of depleting our own assets. It may be there is need for this money but needs are met in several other ways. I daresay the Honourable the Finance Member is clever enough to meet the needs of war effort though there may be a deficit of 100 crores. After all, the threatened deficit need not always be met by the depreciation of our assets. I would like to remind the House to take into account what happened at the end of the last war and similar circumstances are likely to happen at the end of this war also if ever the war is to come to an end. The Honourable the War Transport Member referred to this aspect of the question in his speech when he introduced the Railway Budget. But are we going to gain anything materially by laying hands on the railway surplus and giving it to the general revenues?

I do not quite agree with the Mover of the amendment in regard to his expressed views on the question of the depreciation fund. I may not be an expert for the reason that I have not served on the Standing Finance Committee for Railways, but I feel that it is a matter which has got to be carefully examined. And if I may mention to this House, a commercial Journal of Calcutta, which, I believe, is European-owned, had made some pertinent remarks and offered a few suggestions in regard to this particular Resolution which is before us. It drew special attention to the fact that working of the Convention of 1924 was never adequately examined. But how is it that the people who represent, at any rate, the same interests in this country now seek to tell us that the question should not be examined and the Government view must be accepted. I would like to repeat that I as a Member of this House am not suffering from any inferiority complex nor am I oppressed by the fact that the Members of this House are not competent to go deep into the mysteries of the railway finance and find out what is the appropriate amount that ought to be set apart for the depreciation fund and what is the appropriate amount that should be given to the general revenues. It may be that we are not experts. That is consequential in a representative assembly direct-

ing the Finances of the country. At the same time, I would ask my friend, Sir Cowasjee, where is the need for a Commission? Commissions have been the bane of this country. A Commission composed of experts; possibly that is what the Government of India has in mind. Possibly, Sir Cowasjee Jehangir had an inkling of the fact that there will be a Commission at the end of all this. The Commission will determine what the railways have got to give to the general revenues and what not to give and probably the Commission will determine what the general revenues have got to give to the railways so that something may be done in order that the surplus we have somewhere else is utilised for the purpose of replenishing and renewing the railway system which is already creaking. I have no doubt that nobody is more intensely aware of the fact that this system is groaning and that it won't go on for long, than the Honourable the War Transport Member. In view of that intense consciousness that the system is creaking, how could you ask us to accept a Resolution like this? Do you want to keep the railways as an institution alive or do you want to leave them in miserable condition and let somebody else bear this burden? In the absence of more explicit information with regard to the motives of the Government, I am unable to believe for myself that the Government are so incompetent as not to be able to visualise what the needs of the future will be, at any rate, subject to human limitations. I maintain there can be no harm in a Committee going into the whole matter. The proposed Committee may not be an expert Committee but it is a Committee of men of common sense and common sense will certainly tell them how far to go. The opposition to a Committee of enlightened Members of this House is a futile one and the arguments advanced in support of accepting the proposition of the Government have been self contradictory and unconvincing. I do not see that any case has been made out by those speakers who opposed the amendment nor do I find any indication in the speech of the War Transport Member that the Resolution must be accepted in tact without any amendment. After all, at the end of the investigation by this Committee it might be that the members of the Committee are so hopelessly at sea that they would find that the wisdom of the War Transport Member is superior to theirs and they would, therefore, accept the decision of the War Transport Member. Such things invariably happen in Committees and it is the Government that determines the final decision. Some such thing might happen, but the country, at any rate, will feel that its representatives have been given an opportunity of examining a vital proposal because the railways happen to be a very vital portion of the country's assets, and as they would not like those assets to be ruined or depleted merely for the sake of the exigencies of the situation for the reason that the general revenues need more money particularly when the general revenues are in such safe hands that they never really need suffer for want of money because there is no lack of ingenuity on the part of those who control the general revenues.

I support the amendment for the appointment of a committee.

Pandit Lakshmi Kanta Maitra: Mr. Chairman, Sir, this Resolution raises a very vital issue. It seeks to modify, though to a limited extent and for a limited purpose, a convention which was adopted by the Legislature in the year 1924 and which has held the ground so long. We must bear in mind the fact that for close upon two decades this convention has been at work. If, therefore, the Honourable the Member for War Transport desires us today to modify it, it is only natural for us to expect that he should make out a strong and overwhelming case for it. I must frankly admit that though I have very carefully listened to the speech delivered by the Honourable the War Transport Member, I could not be enlightened in the manner in which I liked. On a question of this nature, it is only fair that the House should be supplied with a well-docketed memorandum and relevant literature explaining the circumstances which have induced the Honourable Member to make a departure from such a well-established convention.

[Pandit Lakshmi Kanta Maitra].

Sir, two amendments have been moved to the main Resolution; but they do not materially differ. Both of them ask for an investigation of the whole question by a Committee of this House. There is only difference in the personnel of the Committees, but the desire of the House, at least of the two Parties in it, is clearly indicated by these two amendments. I am not referring to the terms of reference but the fact is that there is a demand from a considerable portion of this House to see the whole thing investigated thoroughly before the House can express its opinion one way or the other. The House will recall that the question of separation of the railway finances from the general finances of the country had been agitating the minds of the administrators since about the close of the last century. From the time of the late Lord Curzon this idea was being mooted from time to time. But it was not till the Ackworth Committee was appointed to go into the whole question of putting the railway finances on independent and sound footing that the matter came up in some definite form. On the report of the Ackworth Committee early in March, 1923, a Resolution was formally brought before the House. What happened? I ask the Honourable the Railway Member to carry his mind back to that period, though I am not quite sure if he used to devote any time to these matters in those days—when he was busily engaged in the innocent pastime of making his pile in Calcutta. Sir, the House in 1923 did not straightaway agree to adopt the Resolution. The House appointed a Committee of its own which also appointed a sub-committee to go into the minutest details. The main Committee with the Sub-Committee worked for sometime and in September, 1924, the matter came up in the form of a Resolution before the House. I will invite the attention of the Honourable Members to the proceedings of the Legislative Assembly in those days. A glance at these reports will reveal that the question was not free from controversy. All manner of points were raised and various amendments were tabled. It is unfortunate that most of the Members of those days are not here now,—we have one in our Party who is also not present today, I mean my Honourable friend, Mr. K. C. Neogy. Sir, these amendments were discussed on the floor of the House and most of them were accepted. I bring this fact to the notice of the Honourable the War Transport Member to remind him of the manner in which this grave and momentous question had been handled in the past. I would ask him to follow the same principle as was done in the past by Sir Charles Innes. What is he going to lose by appointing a Committee and that also consisting of a limited number of members? Does he mean to say that he has furnished the House with sufficient data to enable it to come to some conclusion today? What then is the use of hustling the House here and now to the acceptance of this Resolution? Why this precipitate haste? Is he going to lose anything? So far as the coming year—1943-44—is concerned he has provided for everything in his Budget. So any specific provision he wants by passing this Resolution will be of use to him from the year after the next. So I do not see any reason why he should be in such a hurry and why he should not take the House into confidence?

We are told there are the Standing Finance Committee and the Central Advisory Committee for Railways; I should like to remind the House that these matters never came up before the Standing Finance Committee for Railways. I do not blame the authorities for that. The Standing Finance Committee for Railways and the Central Advisory Committee are not meant to tackle such questions. Nobody likes that the railways which are the great national assets of this country should be neglected. We are anxious for the rehabilitation of the railways of this country after the war, but you should try to carry the House with you even when you consider that your judgment and your decision are satisfactory. Now various Parties and interests are involved in it. Have you considered the views of the great mercantile community on the subject? Is there any indication in your speech that those who

are real customers, and indeed the great customers of the Railways, have been consulted on this question? I have not heard anything of the kind. Government want the House to accept the Resolution without furnishing it with any data by which it can feel itself justified in giving its decision. In these circumstances how can he expect our support to the Resolution? I would, therefore, appeal to him to consider the position and not to be in such haste. We are at one with him, if his object is to put railways on sounder basis and at the same time to give to the general revenues a more liberal share of its profits. There is not much difference between him and us in this. But we differ from him in the method and the manner by which he seeks to gain his object. I know, Sir, the Honourable Member can carry his Resolution with sheer force of votes in this House, situated as it is today. But may I remind him that that will be an act of administrative high handedness under the guise of the Legislature's approval. I hope he will not take to this course, though he may be tempted to do that. This is a very vital matter and if he cannot accept either of the two committees that have been proposed by us, let him take persons of his own choice and also Members representing every shade of political opinion in this House and charge them with the duty of examining this whole question in detail. We want an *ad hoc* committee for this purpose. The Standing Finance Committee for Railways and the Central Advisory Council for Railways are not competent to go into these questions. It is desirable that these questions should be examined by representatives of trade and commerce and other interests before the Legislators give their sanction to it.

The mere fact that he is going to change it for a limited purpose will not justify this hasty action. For, I believe that though the change
 3 P.M. proposed is a small one, it has a very important bearing on all the different aspects of the convention. I, for one, shall be extremely reluctant to give the imprimatur of sanction of this House to a Resolution which has not been systematically investigated by it. If he accepts the motion for a committee, I repeat again, he may choose his own personnel for it and he may charge it with the duty of examining the matter even for a limited purpose, leaving the larger and broader issues for the future when the whole question can be reviewed *de novo* after the war. If he will do that, he will find co-operation from every part of the House. If on the other hand, he takes to the shortest cut of moving a closure now and straightaway driving us to the voting lobbies, he will be gaining his end, but will not have the moral support of this House. Sir, I support the motion for committee, but if it is not accepted, I must oppose the Resolution as it does not accord with the manner and spirit in which the convention was established.

Mr. Jamnadas M. Mehta (Bombay Central Division: Non-Muhammadan Rural): Sir, I rise to support the amendment moved by my Honourable friend, Dr. Sir Zia Uddin Ahmad. I do so for very good reasons. In the first instance, the Government have already incorporated all the results of this Resolution in the Railway Budget. They have, therefore, taken this House for granted. It is a very wrong habit to cultivate for the executive to take the legislature for granted and then seek *ex post facto* sanction; that shows the measure of the respect or the absence of it which the executive committee feels for the legislature. On that constitutional ground alone, the House will be justified in opposing this Resolution. I am sorry to say that the first important act of the Honourable Member for War Transport has been to take for granted the Legislature in such a manner. He should have shown far greater consideration for this body than the bureaucrats usually do.

Then, Sir, secondly I wish to say that the statement made in the Assembly is itself not correct. To say that the object of the convention has not been achieved is itself to my mind an inaccurate statement; in the first instance, the convention went far beyond the needs of the case. Sir Basil Blackett himself admitted on the floor of the House where the present Finance Member is sitting,

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from that very place, he admitted that the burden placed on the railway revenues was much too heavy. I quite remember having opposed the heavy burden placed on the railway revenues under the convention. One per cent on the capital at charge was the original intention. I was a member of that Committee so far as I can remember and, therefore, I know that the general opinion was that one per cent on the capital at charge should have been the contribution to the general revenue. But as Members proceeded and found that the railway revenue for the particular year was very good, they asked for more; there was not only one per cent on the capital at charge, but one-fifth of the surplus and again one-third of any surplus after three crores, was charged. That was the reason why in later years, when there was economic depression, the railways were not able to meet the burden placed upon them. It was not that there was anything fundamentally unsound in the railway finances even during depression. If you had been less greedy, if you had been content with only one per cent on the capital at charge, then the convention would have worked very well indeed. It is not the fault of the convention. The principle of the convention is absolutely sound and it is the way in which it has been worked by the greed of the Members and Government that has led to its floundering. If the object of the convention has not been achieved, it is with regard to the two parts relating to the improvement of the railway services and the reduction of rates and fares; these have not been achieved; because they were taken as if they were merely formal, not really meant. It was merely the money part of the convention that was grabbed and the improvement of railway service and the reduction of rates and fares were to be only honoured in the breach and not in their observance.

Now, Sir, look at what happened. In the name of depreciation fund, by now, I think, 250 crores have been taken from the railway revenues. My figures may be somewhat inaccurate by a few lakhs or even a crore or so. I have tried to add them up and I say that within 20 years of this convention, including the Budget year it makes 20 years, I find that in the name of depreciation 250 crores of rupees have been taken from Railway revenues while as a matter of fact a little more than 150 crores have been found necessary. Today 82 crores are found to be surplus. What does it show? It shows that the calculation of depreciation was made on a lavish scale, quite out of all proportion to the requirements. Last year, my Honourable friend, Mr. Sankara Aiyar, had a gibe at me when I pointed out this and he said that if I was in charge of the management of a concern, with the views on depreciation fund that I held he would not subscribe to the shares of that concern. That was a cheap gibe. He can put his hand into the taxpayer's pocket as much as he likes and get whatever money he likes; for him to pose as sound financier as he seeks to, when his success, if any, does not depend upon his ability but on the power of the bludgeon possessed by Government to extort whatever rates and fares they liked sounded to me rather unworthy of a Financial Commissioner. I do not ask him to subscribe to any shares of any company, but I do want that my money, the money of the taxpayers should not be accumulated in the name of depreciation fund, while the rates and fares are high, while the amenities to the passengers are low and when the improvements of railway services are doubtful. If he cannot run the Railways in that way, he must not taunt me who was merely asking that the terms of the convention should be carried out. That is all I am asking, that is all I am saying. But this is by the way. He is going away, and I do not want that his departure should be embittered by recriminations of any kind. We have always valued his deep insight into railway finances. Now, Sir, I want to know the reason why these 2,35,32,000 should be paid to the general revenues.

The Honourable Sir Edward Benthall: You will find it in the memorandum.

Mr. Jamnadas M. Mehta: The so-called reason is that the general taxpayer should be supported. Beyond that what is the reason?

The Honourable Sir Jeremy Raisman: The reason for any contribution by the railways to the general revenues.

Mr. Jamnadas M. Mehta: The only reason can be that you should tax me according to the cost of transport. What you are doing today is to tax me without any reference to the cost of transport and then taking credit to general revenues even against the terms of the convention. Sir William Acworth has told us that the tax on transport was vicious. You may not follow him now. In 1924 Sir William Acworth's theory was the highest water mark of wisdom for the Government Benches. Today it has ceased to be so because according as they can put their hand in our pockets they approve or disapprove a policy. It is not any principle on which they act. I do not mind paying the amount as a war measure but there is no financial justification for the railway tax-payer to pay this two crores of rupees. For the duration of the war you may take this amount as an extraordinary emergency measure, but do not justify as if it was something very wise, something very financially sound.

Part (ii) of the Resolution says : "That so much of the Convention as provides for the contribution and allocation of surpluses to general revenues shall cease to be in force." It does not even say "during the period of the war". Am I to understand that without any examination, so much of the convention as refers to the contribution and allocation of surpluses has altogether ceased to exist from today? The Honourable Member has made no statement either in his Resolution or in his speech in this behalf.

Then, we are told that this allocation in the future shall be divided in the ratio of 25 per cent. to the railway reserve and 75 per cent. to general revenues. Why? Is there any principle in it? I do not see any principle in that. How much have we paid already? I think, Sir, in twenty years we must have paid two hundred crores to general revenues.

Mr. Muhammad Nauman: More than that.

Mr. Jamnadas M. Mehta: My friend says more than that. Now, Sir, how is the railwayman, and the poor third class passenger ever going to get a relief in the reduction of rates and fares or in the improvement of services which is one of the objects of the Convention if any money that comes across is simply to be transferred to the general revenues? General revenues seem to have some general licence to rob the railwayman, the traveller, the trader and others concerned. I am not particularly impressed by this rough and ready division of 75 per cent. and 25 per cent.

The last proposal is "that for subsequent years and until a new convention is adopted by the Assembly, the allocation of the surplus on commercial lines between the railway reserve and general revenues shall be decided each year on consideration of the needs of the railways and general revenues, the loss, if any, on strategic lines being recovered from general revenues." That is on the whole not a bad thing that each year you will decide on the merits of the case, but the merits of the case are laid down by the Government that the surplus would be divided in the ratio of 75 per cent. and 25 per cent. between general revenues and the railway reserve. If that is to be the guide, I do not think I can support this.

One more point, Sir. I do not know why Sir Frederick James did not like the idea of appointment of a committee and why Sir Cowasjee Jehangir did not approve of it. Sir Cowasjee Jehangir's speech was, to some extent, rather strange to me. He protested throughout that he understood nothing. Throughout his speech he went on protesting that he understood nothing and yet went on supporting the Government all the same. There he understood. Why do that kind of thing; if you do not understand, keep quiet, but to go on saying "I do not understand but I support Government" is most unedifying. Certainly the request for an examination of these extraordinary doctrines which are laid down in the resolution is perfectly reasonable. Indeed, the House is entitled to demand an enquiry into these new doctrines,

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particularly when depreciation fund has now gone upto Rs. 84 crores. I think the Honourable the learned Doctor is quite justified in asking for that examination.

Pandit Lakshmi Kanta Maitra: It is not only 84 crores, but there is another 9 crores in reserve.

Mr. Jamnadas M. Mehta: Twenty years' experience is there. You have taken in excess of what you needed. There is 20 years' experience, not one or two years. I can tell him that at least in one of the Colonial Railways the depreciation charged was 7 per cent. of the gross working expenses.

Dr. Sir Zia Uddin Ahmad: Here it is 25 per cent.

Mr. Jamnadas M. Mehta: Therefore the depreciation required in this country cannot be more than 5 to 7 crores of rupees. It is taken for granted that the men in charge of our affairs are supposed to know everything and we are supposed to know little or nothing, and, the House being what it is, it is certain that whatever proposal Treasury Benches make will be carried. I cannot agree that over 80 crores of depreciation fund should remain surplus and you should take from the revenues 12 to 13 crores additional every year. If you want lower rates and fares, then stop this; if you want improved services, stop this; if you want better attention to third class passengers, stop this. The House complains all through about third class passengers, heavy rates and fares and then quietly supports the huge allocation to depreciation fund. You cannot have it both ways. Therefore, I humbly beseech that the House will carry this proposition—the amendment of my Honourable friend, Dr. Zia Uddin, to vote. Never mind, if we lose. Let us place it on record that the Government's conduct in this respect was extraordinary, that it already acted before it took us into confidence, and was so cocksure of our support that it never sought it when it had any meaning. Their action is practically *ex post facto*, and, therefore, it is more insulting than anything else. All the four principles enunciated in the Resolution require close scrutiny and close examination and not immediate approval. For these reasons, Sir, although I am not an expert, but if 20 years' study of the railway finance from 1924 till this day can give a man any insight then I do say to Sir Cowasjee Jehangir that the proposition as it stands is not worthy of his acceptance. It is not worthy of the House simply to say "Yes, thank you", but our clear duty is to protest. If support has been taken for granted, action has been already taken on it, the Budget is framed and passed on that basis, that shows the extent of respect which the Government feels for this House. On these grounds, Sir, I wholeheartedly support the amendment of my Honourable friend, Dr. Sir Zia Uddin.

Qazi Muhammad Ahmad Kazmi (Meerut Division : Muhammadan Rural) : Sir, we are considering the alterations to a convention which was arrived at after considerable discussion, appointment of committees and consultations of experts, and the question is what are the constructive proposals that are being placed before the House for sanction by the Honourable the Member for War Transport after mature consideration. And for that I need only refer to part (iv) which says :

"For subsequent years and until a new convention is adopted by the Assembly, the allocation of the surplus on commercial lines between the railway reserve and general revenues shall be decided each year on consideration of the needs of the railways and general revenues, the loss, if any, on strategic lines being recovered from general revenues."

No new convention is being placed before the House, but only a principle that the old convention is not to be worked and we have to make our own convention every year. Sir, the way in which the convention is to be made is the way in which it is being made today, *viz.*, a matter of a very complicated nature is brought before the House and we are allowed only 15 minutes to speak on it. I am not going to speak for more than fifteen minutes, but still I know that gentlemen who have had experience of foreign railways wanted to enlighten

the House with their views, but they were stopped for shortness of time. Every Member of House is not expected to be an expert in the matter.

Pandit Lakshmi Kanta Maitra: Most of us are. We understand the job quite well.

Qazi Muhammad Ahmad Kasmi: Every Member is not supposed to have a detailed knowledge of the working of railways throughout the world. At least the House will not be able to form an opinion without the opinion of those experts. Now, I would be prepared to hear the railway experts with greater attention than people who are not experts. At the same time, I find that the Resolution they are bringing before the House is a negative one. In it they admit that they are not able to make up their minds as to what is to be done in the future. This is a very novel kind of Resolution before the House. We have tried a convention. It has failed. Now, gentlemen, take care of yourselves and the convention will not fail. It is a negation of resolutions. You want to make this House a party to this negation of a resolution to an admission that we are not in a position to make up our minds as to what we are to do in the future. This is a very strange kind of idea that has sprung upon the Government and the Government wants that we must confirm it. Where is the need of the haste of getting the principle embodied in clause (iv) of the Resolution being accepted by the House in this haste? Where will be the harm if a Committee is appointed for examining the whole *pros* and *cons* of the matter and coming to a conclusion, whether this convention is to be accepted as a convention or the matter is such a complex one that you must leave it unsolved and solve it every year as it comes before the House. That is a matter which to my opinion is not at all proper. It does not appear proper that we should come to a negative resolution as contemplated in para. (iv) of the Resolution. For that purpose let us have a committee, and if the committee is of the same opinion that they are not in a position to tackle the problem, then the House may endorse it in that form and at that time. But before trying and putting our heads together to tackle the problem, it is rather premature to endorse any Resolution of this kind. I, therefore, support the amendment of Dr. Sir Zia Uddin.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, I rise to support the amendment of my friend, Dr. Sir Zia Uddin Ahmad, and the reason of my support is simply one, and it is this that the Government in bringing this Resolution before this House is curtailing the rights of this House. I stand simply to protect the rights of this House in not giving my support for the Resolution. Sir, if the Government today is prepared to curtail the rights of this House and Assembly, then I would say that woe to such a Government. Sir, the rights of this House ought to be respected by the Government and not to be curtailed in this way. Sir, who in this House will not say that this is not a very vital matter? The reasons that have been given by Dr. Zia Uddin and Mr. Jaminadas Mehta and others are cogent enough for the Government to see how this House objects, not only on economical grounds but also on moral grounds. Sir, this matter has, so far as I have been able to know, been debated on from 1921, and even in those days objection was taken to it. People like Sir Purshottandas Thakurdas, the great Economist of India, and Mr. Rangachariar, discussed this resolution in those days and they were of the opinion that this matter should not be decided at the moment simply because it was brought up by the Government. They insisted that it should be sent to a committee where elaborate discussions could take place. Here we find that the Resolution has been brought and because of the thinness of the House the Government think that will be very easy for them to carry it. If the object is that because of the war you want this amount to be taken away from the hands of the Assembly, then say it plainly that you want to put it to the vote of the House, but the way in which you are doing it is rather very strange. I would, therefore, ask that in the fitness of things, and for the convenience not

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only of Members of this House but also on moral grounds and for your responsibility to the public, this amount should be devoted to the convenience of passengers and for the reduction, if possible, of fares and rates. On these grounds, I submit that I cannot support the Resolution and I support the amendment.

Mr. Ananga Mohan Dam (Surma Valley cum Shillong: Non-Muhammadan):

Sir, I rise in favour of the formation of a committee to go into the details regarding the principle and methods involved in the resolution of the Government. Sir, I do not find any reason why the Government is failing to give the House an opportunity for discussing such an important question threadbare in committee but pressing it in this House. The differences of opinion expressed on the floor of the House by the different Members from different angles of vision show that it is more important for the Government to allow it to be discussed threadbare in a committee where all kinds of opinions may be expressed and all details may be discussed by different members and a right solution arrived at.

As far as I have seen the reports of this Legislature in 1924—I have not been able to go into the matter in detail—as far as I have seen, I find that Sir Basil Blackett was in favour of this convention. He put the view as follows. If you ask more for general budget the probability of an early reduction of rates and fares is postponed. If you ask for less that probability is increased, if we take more for the general budget, we reduce the opportunity of giving more amenities to the general taxpayers. I think that is a very important question which should be discussed by a Committee, because in the speech of the Honourable Members for War Transport, we have not been told anything which goes to reduce the freights and fares. In these days of war when the railways are having enormous sum to their credit, it should be the first duty of the Government to give relief to the general taxpayer, to give more amenities to the passengers, and to improve the system as far as possible. Not only this, but there are so many other questions involved in the Resolution. If this House allows this Resolution to be accepted without going into a discussion of all these aspects, Honourable Members will be doing an injustice to their constituencies who are expecting so much from them. It is, I think, very reasonable on the part of any Government, in a crisis like this, to have this question discussed in a Committee so that we can arrive at a right decision. It is true that these things of technical importance cannot be discussed without the help of an expert, but we cannot sit back waiting for an expert. Expert advice we may take, but this House has members who have discussed this question of railway finance for over twenty years and more, and they may be expected to give a lead to the country and a good principle to work upon. It is for that reason that I think the Government will be well advised to allow a committee to be formed and the whole thing discussed by it so that we can have a right decision to go upon. "The allocation of the surplus on commercial lines between the railway reserve and general revenues shall be decided each year on consideration of the needs of the railways and general revenues, the loss, if any, on strategic lines being recovered from general revenues." All these questions can be discussed by a committee with advantage. There are many questions involved in regard to the relationship of general railway finance with general finance, and I support the amendment asking for the formation of a committee for this purpose.

Sir Henry Richardson (Nominated Non-Official): The speeches which have been made to-day on this subject have, I think, shown an unusual amount of high interest, particularly, the speech of my Honourable friend, Sir Zia Uddin Ahmad, which shows that he has made a special study of a very absorbing subject. I must plead being, like my Honourable friend, Sir Cowasjee, not an expert in railway finance, but after listening to what has been said to-day, I

am sorry that I have not had more opportunity or experience to go into what I think is a most absorbing and interesting problem. I was particularly interested to hear what Mr. Jamnadas Mehta had to say: after all he and I think, Sir Cowasjee might be described as two of the "old salts" of a ship in which they have been serving for many years. Mr. Jamnadas Mehta was present in this House, I believe, at the time of the previous convention. I would also have been very interested to hear what that other "old salt" had to say, Mr. Neogy, but he is not present to-day. I feel from what I have heard that there may be some misunderstanding of the position which my Group has taken up as was explained very early by my Honourable colleague, Sir Frederick James. We are not against a committee, but we are against having it at this juncture. If I may say so, from a business point of view it seems to me to be like putting the cart before the horse. Let me try and explain what I mean. Supposing you have a jute mill or a coal mine or a cotton mill or a tea garden and you have a very large question arise which affects such things as your machinery, the life of it, your policy, and all the hundred and one things that arise in connection with all these business problems, you would not ask your Board of Directors to sit down and consider all these problems without first of all having placed before them some report from an expert or a technical committee of men, which you have serving in these companies deliberately and purposely for those special reasons. And I am surprised to find this absence of thought in the House that you can sit down and examine (Interruption.) a question regarding the biggest organisation in the whole country, which the railways are, without first of all getting these expert and technical opinions on the very very difficult problems and questions which arise over this particular subject. We in the House have criticised Government out and out, particularly in this Group, many times, over their red tape methods as opposed to business methods, and here we find the House to-day advocating a method,—which is a method, I make bold to say, Members would not adopt in their own business if such a problem arose. First of all, let us have this expert examination. Let the Government come before the House and place exactly what those problems mean and then say to us, "Now this is our decision". If the House wants a committee at that time, we shall be with you one hundred per cent. I support the Resolution as moved.

(At this stage, Mr. Amarendra Nath Chattopadhyaya rose in his seat.)

Some Honourable Members: Let the question be now put.

Mr. Chairman (Syed Ghulam Bhik Nairang): Mr. Chattopadhyaya.

Mr. Amarendra Nath Chattopadhyaya (Burdwan Division: Non-Muhammadan Rural): Sir, Chairman, I thank you for calling me in spite of cries of 'The question be now put'. I am surprised that it has taken 20 years for Government to see that the convention has not properly worked. The Resolution says:

"Whereas it has been found that the Convention, which was adopted under the Assembly Resolution, dated 20th September, 1924, and which was intended to relieve the General Budget from violent fluctuations caused by the incorporation therein of the railway estimates. . . . has not achieved these objects. . . ."

Sir, this discovery was made after 20 years. This is the strangest part of the Resolution. Clause (i) of the Resolution says:

"for the year 1942-43, a sum of Rs. 2.35.32 thousand shall be paid to general revenues over and above the current and arrear contribution due under the Convention."

Why that sum, why not five crores, or why not a lesser sum than Rs. 2,85,82 thousand? How has the Honourable Member arrived at this figure? What is its basis? Then clause 2 says "From the 1st April, 1943, so much of the Convention as provides for the contribution and allocation of surpluses to general revenues shall cease to be in force". It does not give any reasons for this. Then clause 3 says, "and thereafter be divided 25 per cent. to the railway reserve and 75 per cent. to general revenues, the loss, if any, on strategic lines being recovered from general revenues". It is extremely vague. If 75 per cent. is to be given to general revenues, why should railways earn? How can the Railways continue? In this way, all possibility of economy and improvement will

[Mr. Amarendra Nath Chattopadhyaya]

vanish, if the most of the profit is to be given to the general revenues. Then clause 4 says, "for subsequent years and until a new convention is adopted by the Assembly". We do not know when the convention will be adopted and how long the present state of things will continue. The war is going on and we do not know what is coming after the war and who is going to be responsible for all this. In these circumstances, there is need for the Government to go in for a committee. If the Government is of opinion that expert opinion should be obtained, then an *ad hoc* committee might be formed and members of the Assembly may be added to that and in this way the Honourable Member can have the whole position examined and come to a decision as early as possible. I think in that way the object of the Resolution will be met. With these words I support the amendment.

The Honourable Sir Edward Benthall: There are three amendments before the House. Two of them relate to the setting up of committees and one of them, Dr. Sir Zia Uddin's, deals with the allocation of funds to the Depreciation and Reserve Funds. I will deal with this latter amendment first. Dr. Sir Zia Uddin's proposal is to limit the railway depreciation fund and the general reserve to a total of 75 crores. In the Railway Department we have for some time been engaged upon an examination of the question of the depreciation fund and the examination shows that neither the rate of the contribution to the fund nor the balance in the depreciation fund is excessive. That, I think, is in direct contradiction to what the Honourable the Mover has said and what Mr. Jamnadas Mehta has said.

Dr. Sir Zia Uddin Ahmad: Will you give us an opportunity to examine their arguments?

The Honourable Sir Edward Benthall: It is our conclusion after a very careful and technical examination by our technical experts and, as mentioned in my opening speech I hope to place a paper on this subject before the committee of the House in due course, so that it may have a thorough examination by the committee of the House. I do not, therefore, propose to go into this subject very deeply today, but I would remind the House of what I said on the post-war reconstruction cut motion. I then pointed out that immediately after the war renewals and replacements will run into a very large sum, part of which will be debited to the depreciation fund. I would also point out, as some speaker early in the debate said, that no provision has been made for arrears of depreciation prior to 1924, nothing at all, so that all those arrears are still outstanding. Equally no provision has been made for depreciation on Company-owned lines before the date of their purchase. Mention was made of the Wedgwood Report. The proposal of the Wedgwood Report was that the depreciation fund should be some 30 crores and the general reserve fund some 50 crores. The Wedgwood Committee was very inconsistent. It suggested that the old method of calculation of depreciation based on the cost and on the normal life of the assets was better than the method, which was adopted subsequently, of one-sixtieths of the capital at charge. They suggested a periodical review of the normal life of the assets. If the depreciation fund is to be built on scientific principles like that, it is surely most illogical to put an arbitrary limit to it. Either you follow some scientific method or you don't. The Wedgwood Committee, which was quoted, is itself extremely illogical.

Then again the Wedgwood Committee recommended an amortisation fund and this recommendation of theirs was approved. . . . (An Honourable Member: "That is for Company Railways, not for State Railways".) I think the Finance Committee and the Central Advisory Committee both agreed to the principle of a 5 crore appropriation for an amortisation fund and, had that been in being, it would by now have amounted to something like 30 crores. Then again, as Sir Arthur Dickinson pointed out, there was no provision in the depreciation fund for obsolescence. Finally, the Wedgwood Committee proposed that

the Railways should only pay interest on capital and should not make a "contribution". I just mention these things to show how very much opinions can differ and how very essential it is that these matters should be gone into very closely. With regard to Dr. Sir Zia Uddin's amendment, I should perhaps just point out what is going to be the effect of that amendment on the 1942-43 and 1943-44 allocations. Under his proposals the general revenues would receive in the current year 27.88 crores in place of 20.13 under our proposals and the railways will receive 8.40 crores in place of the 16.04 crores which they would receive under our proposals.

Dr. Sir Zia Uddin Ahmad: I do not agree with your figures.

The Honourable Sir Edward Benthall: I am telling the Honourable Member what precisely his amendment would mean. When you come to next year, 1943-44, the general revenues would not only receive the whole of the surplus of 36.04 crores and the railways nothing at all but in addition the railways would have to pay back 1.84 crores of the net accretion to the depreciation fund in 1943-44. That, Sir, is the financial effect of this amendment. The proposal, as I see it, is not only contradictory to the policy of Government but it is also contradictory to all those many speakers who have expressed the desire to see railway finances built up on sound business lines and the depreciation fund established on scientific principles. The figure adopted seems to be rather arbitrary and to involve, in fact, an abandonment of a scientific basis for the depreciation fund. So, Sir, I have no hesitation in asking the House to oppose that particular amendment. But, as I stated before, I will have the whole subject of the depreciation fund, and so on, carefully examined by whatever Committee is decided on.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) resumed the Chair.]

Now, Sir, turning to the other amendments, a number of Members spoke and, if I may say so, at times I felt the debate was rather tending to become a general discussion of the Budget than a discussion of the particular Resolution before the House. Honourable Members discussed the depreciation fund, rates and fares, passengers, working expenses; some Members wanted more to general revenues, some more to railway reserves. I cannot in the time before me discuss all these matters, but I would just like to say one thing, which I have said before, as regards rates and fares. The rise in the rates and fares is unquestionably less than the rise in price of any other commodity in this country. I challenge any Member to indicate any industry which shows a less increase.

Mr. Jamnadas M. Mehta: Man has become cheaper!

The Honourable Sir Edward Benthall: I think my statement to be a truth which nobody can deny and, as I also said before, it compares very well with the policy of the agriculturists who has advanced his prices by some 2, 3 and 4 hundred per cent. So, on the subject of rates and fares I feel that the railways have been extremely moderate.

Now, Sir, there was a great diversity of opinion expressed and most important views were put forward, but I submit that the very diversity of the views is an argument in my favour. It is quite evident that this is a very intricate subject indeed and if we are to discuss these many matters which have been raised by different speakers, it is going to be a very lengthy business indeed, as it should be. I entirely agree that these matters should be discussed at length, but I am faced with the fact that we are trying to pass a Railway Budget—and a General Budget—and we must endeavour to get that Budget through. The Budget has to be passed by the House and I am going to ask the House to pass it. If all these matters are referred to a Committee to consider before we pass the Budget, not only the Railway Budget but the General Budget which is affected by it, either the discussion of these subjects must be extremely hurried or they must be inconclusive or the Budgets will not be passed. Well.

[Sir Edward Benthall.]

Sir, that is one factor which I have to take into account, and another is the desire of the House to give these matters proper attention. The House has agreed as to the complexity of the subject and more than one speaker—Mr. Lalchand Navalrai in particular—has stated that on no account must we be too hurried over this. I entirely agree with that view and it is because of that very fact that I want these things properly investigated that I have suggested the procedure which I did suggest in my opening speech. But, Sir, I am faced with this dilemma. I may desire to meet the House but if you look at Sir Zia Uddin Ahmed's first amendment, you will notice that it involves this time factor. This examination, if it is to be thorough, will require, as several speakers have suggested, the production of technical papers for the study of the Committee. That will take time. The Department has almost ready a paper regarding the depreciation fund but it has not got papers ready on other subjects and it will take time to prepare them. It is very difficult to reconcile the two views expressed, one that we should take time for the consideration of these matters and the other that we should pass the Budget. And that is my dilemma whatever I may wish to put to the House.

If I might for a moment turn to the Resolution itself: first of all, one or two speakers questioned the preamble. Well, Sir, this in itself was, as I thought, based on the desire to meet the views of the House. Last year on the 20th February a cut motion was moved by Sir Frederick James suggesting the revision of the Convention on the grounds that it had not worked. Other speakers got up. Mr. Jamnadas Mehta said, "I have watched its working with the greatest attention and I do feel that time has arrived when its revision should be undertaken". Mr. Hooseinbhoj Lalljee said, "I entirely agree with the remarks of my Honourable friend, Sir Frederick James and congratulate him". Mr. Muhammad Nauman said, "As the Convention has become very old, revision is necessary". It was in that spirit and in response to what we understood was the desire of the House that we endeavoured to undertake a serious tackling of the financial position of the railways this year at a time, and the House will pardon me for saying so, when we would much rather not have done so owing to our very serious pre-occupations for the war. But in view of the debate we felt we should try to do it and I endeavoured to carry that spirit further forward in my Railway Budget speech to the House where I spent a very considerable portion of the speech explaining, as I thought, exactly the reasons why we proposed the allocations between the general revenues and the railway reserve and exactly the grounds of our policy. I am sorry to find after what I had sincerely regarded as an attempt to meet the wishes of the House that the House does not seem at the moment pleased with what we have put before them.

Mr. Jamnadas M. Mehta: This is not a revision.

The Honourable Sir Edward Benthall: If I might turn for one moment to paragraph 1, I think only two Members objected to our paying this sum to general revenues and others wanted more to be put to general revenues. Personally, I consider that it is a very reasonable proposition that we should pay to general revenues this year what the House budgeted last year. It
 4 P.M. is nothing more and nothing less. It so happened that railways experienced a betterment and that betterment goes to the railway finances.

As regards paragraph 2, here again, I heard only one voice raised against this paragraph and other Members were silent. I thought there was no objection to this paragraph. The House does, in fact, realise that the Convention has not been satisfactory and that the railways have not been able to meet the burden that has been placed upon them.

As regards paragraph 3 Mr. Deshmukh asked why we had pitched on the proportion of 75 and 25. Well, Sir, it was a result of balancing all the factors

to which I referred in my General Budget speech and the speech I made this morning. We took into account the general budgetary position of the Government. We put it to the House that a contribution to the general revenues be made to lighten the burden of the general tax-payer. As was pointed out this proposed allocation should not be regarded as a precedent. I said that because we agreed to one proposal for next year in order to deal with the general budgetary position, I did not regard that as a precedent for the future. The House should decide, in the light of the general conditions prevailing each year, on the proportion proposed for next year or any other proportion which may be most suitable for the future and I added my personal view that eight crores should be set aside as a minimum for strengthening railway reserves. That proposal accords with the suggestions from the European Group and I think it had the support of the several other Members.

Mr. Jamnadas Mehta suggested that we had prejudiced the decision of the House by the manner in which this Resolution was put forward. I do not think that. The whole position was made perfectly clear in my Budget speech. The House had a chance to consider the matter and to discuss it on the Demands for Grants and during the general debate. Now we have put forward a Resolution for full discussion. I suggest, Sir, the accusation is unjustifiable in view of the frank course we have taken in putting this matter before the House. I can assure the House I have no desire at all for anything but a full discussion of this matter.

We come to paragraph 4 of the Resolution. I was very much impressed by what was said by Sir Cowasjee Jehangir. He fully expressed my own thoughts and expressed them so lucidly that I envy him. There is indeed a difficulty in reaching a permanent decision in these times. I do feel that if a Committee of the House should examine the whole question, they would find that *ad hoc* decisions are necessary year by year. The proposals in this Resolution are only for the current and the next year. After that the House should consider the allocation year by year. A Committee of the House should certainly examine the nature of permanent convention and further more I will add again that the House should have time for that examination. I do not really feel that there is much difference between the Government side of the House and the non-official Members.

An Honourable Member: I do not find that.

The Honourable Sir Edward Benthall: I find that the crux is the question of the Committee.

Three proposals have been made. One is that there should be an *ad hoc* committee to examine the whole problem. The second is that we need an expert commission. Sir, as regards this expert commission, I certainly agree with Mr. Krishnamachari and I do not feel that we need for this commission any more experts than we have in the country. I believe we have already a good deal of the necessary material in the Railway Department. The difficulty is to get it marshalled at the present time. If later on the House feel or the Committee feels that more experts are required and that a further expert commission is necessary, we might see to it. Then there is my own proposal. I proposed that these matters should be discussed by the Standing Finance Committee for Railways and, if appropriate, by the Central Advisory Council for Railways. I am myself in a quandary. In the course of the general debate certain Members of the House wished to sidetrack that committee, a committee which is normally entrusted with these matters, a committee which, incidentally, was set up by the very Resolution which we are discussing, and it seems to me very proper that that body should take up this matter.

An Honourable Member: That body should consider and not a Committee of this House.

The Honourable Sir Edward Benthall: That body is a Committee of the House, and it is proper that that body should consider these matters.

Sir, I had proposed that we should carry out in the Department investigations on the lines suggested by Sir Frederick James and that we should proceed with this work as soon as we can. It will take some time to consider it. In this respect Mr. Deshmukh's resolution is really very significant. He wishes to appoint a Committee and ends by saying that the Committee should report on or before the 31st August, 1943. It will take at least that time properly to consider this matter. Now that is very significant, because the Budget will have to be delayed until that time.

An Honourable Member: You can revive it by certification.

The Honourable Sir Edward Benthall: If we are to give that amount of time for all these questions we cannot get it through before the next Session. At the same time, the principle which Mr. Deshmukh embodies in that amendment is, if I may say so, perfectly sound because it is necessary for us to consider these matters and reach a decision before we enter on the consideration of next year's budget and that usually happens towards the end of the year. So that, whatever discussion does take place will have to take place, and the report will have to be made to the House, by early autumn. If the House accepts these two things, first that full consideration must be given to these questions and secondly my suggestion that the Resolution should be passed in order to enable the Railway and General Budgets to go through, it follows logically that I must ask the House to pass this Resolution and enable us to proceed with the Budget.

Even in the proposal contained in my opening speech, I had paid a considerable regard to the views of the House. The original conclusion of Government was that it would not be useful to try to arrive at the basis of a new convention in these unsettled times. We did not think it possible to do so, and quite frankly we feel today that if this examination, is to lead to a determination of what should be a fair allocation in normal peace times, whenever that may be, if that is to be the objective, it would be impossible to reach it in war time. The Honourable Member Pandit Lakshmi Kanta Maitra suggested that I might appoint my own Committee. What I had proposed to the House was that we should adopt the Committee of this House, the Standing Finance Committee for Railways, to examine this question and I had proposed that the Standing Finance Committee for Railways should be seized of these matters as soon as possible. I was proposing to consult the Leaders of Parties in the House as to when they would wish the first meetings to take place. It was pointed out in one speech that the House can appoint such Members as it likes to the Standing Finance Committee for this important purpose, since the election comes off in the near future. I find, however, that that suggestion does not commend itself to the House.

Again, I come back to my dilemma. We must endeavour as practical people to carry through the Budget proposals and get on with the work. At the same time, I do not wish to press my proposals on the House if I can reach a general agreement on the question of procedure. It is only on the question of which Committee should be seized of this matter that we differ and not on the question of having an examination. If the House will accept the Resolution and so enable the business of the Budget to go forward, I will make another effort to meet the wishes of the Movers of the amendments. The difference between us as I said is not one of what we should do, but which Committee should be seized of this question, whether it should be a special committee of the House or whether it should be the Railway Standing Finance Committee. It is not a question of procedure, but it is a question of which Committee should carry out this procedure. If the House wishes to supplant the Standing Finance Committee for Railways, which is a Committee

of this very House, I am prepared to make suggestions to enable that to be done. Clearly the matter cannot be discussed by two Committees at the same time, for that would be entirely redundant. Provided therefore that the Resolution carries the support of the movers of the amendments, I will agree that a Committee of the House, on the lines proposed by the Honourable the movers, should be set up to discuss questions arising out of para. 4 in particular and will give very early consideration, in consultation with Party Leaders, to the question of how that Committee should be set up, what the terms of reference should be and so on. This procedure will enable the Government to proceed in respect of the current Budget and next year's Budget and will allow all appropriate matters which have been raised on the floor of the House by different speakers to be properly discussed by this special Committee of the House. That, Sir, is I think a very reasonable offer which resolves my dilemma and which goes as far as possible to meet the wishes of the House.

Pandit Lakshmi Kanta Maitra: Make-believe.

The Honourable Sir Edward Benthall: No, it is not a make-believe. It is an honest endeavour to meet the Honourable Movers of the amendments. I am giving them a Committee, I am giving them the widest scope and I undertake to place technical papers before that Committee. I do not see that if we are to proceed with the business of the Budget, we can very well make a more forthcoming offer. I make that proposal in a desire to meet the Honourable the movers, but if that offer is not accepted, I cannot see that I have any alternative to pressing the Resolution as it stands. If I am forced to that course, I will, in accordance with the previous undertaking, refer further matters arising out of the Resolution to the Standing Finance Committee for Railways.

Sir Cowasjee Jehangir: Will this Committee consider this Resolution and the whole question and report to the House before the Government considers the 1944-45 budget? Is that what you are assuring us?

Dr. Sir Zia Uddin Ahmad: Before the completion of the Finance Bill?

The Honourable Sir Edward Benthall: My idea was that the Committee should report round about the date suggested by Mr. Govind V. Deshmukh, at any rate not later than October because as I said by October we have to begin preparations for next year's Budget. In view of this undertakings, I would ask Honourable Members not to press their amendments. We will proceed on those lines and the Committee will report the results of its deliberations to the House at the next Session.

Dr. Sir Zia Uddin Ahmad: May I remind the Honourable Member that the Convention of 1924 was first laid before the Standing Finance Committee for Railways and it was also discussed by the Railway Advisory Committee and after discussion by these two Committees it was laid before the House and then referred to a Committee of the House?

The Honourable Sir Edward Benthall: That, Sir, in brief was the very proposal which I wish to make to the House. I wish all these matters to be discussed by the Standing Finance Committee for Railways. I wish then to put up some proposals, if I am able to do so, for the consideration of the House and naturally if the House thought that the matter had reached the stage when it should be referred to a special Committee of the House, it could be done. That is precisely what I am suggesting.

Dr. Sir Zia Uddin Ahmad: The figures ought to be examined by a Committee of the House. If they have been previously considered either by the Department or by a Committee which we set up in the Railway Department, it is immaterial. Before finally accepting any proposal, we should like to have figures examined by a Committee of the House. I am not shy about my figures being examined. I say that he should not be shy that his figures should be examined by a Committee of this House.

The Honourable Sir Edward Benthall: That is the essence of my offer. I am saying that further matters arising out of the whole Resolution are for discussion with a view to arriving at what the future policy should be, and I am merely asking the House to agree to the allocation for this year.

Pandit Lakshmi Kanta Maitra: I think it should be allowed to stand over a day or two. We have been given the offer just now. We have to consider it in all its bearings.

The Honourable Sir Edward Benthall: I think I have made a very fair offer to the House, and I would ask the House to meet it in the same spirit in which it is made.

Dr. Sir Zia Uddin Ahmad: In view of the assurance given by the Honourable Member, I beg leave of the House to withdraw the amendment.

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

Mr. President (The Honourable Sir Abdur Rahim): The other amendment was moved by Mr. Deshmukh.

Mr. Govind V. Deshmukh: Sir, I wish to withdraw the amendment.

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

Dr. Sir Zia Uddin Ahmad: Sir, I do not want to press my second amendment.

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

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

"That whereas it has been found that the Convention, which was adopted under the Assembly Resolution, dated 20th September, 1924, and which was intended to relieve the General Budget from violent fluctuations caused by the incorporation therein of the railway estimates and to enable railways to carry on a continuous railway policy based on the necessity of making a definite return to general revenues on the money expended by the State, has not achieved these objects, this Assembly recommends to the Governor General in Council that:—

- (i) for the year 1942-43, a sum of Rs. 2,35,32 thousand shall be paid to general revenues over and above the current and arrear contribution due under the Convention,
- (ii) from the 1st April, 1943, so much of the Convention as provides for the contribution and allocation of surpluses to general revenues shall cease to be in force,
- (iii) for the year 1943-44, the surplus on commercial lines shall be utilised to repay any outstanding loan from the depreciation fund and thereafter be divided 25 per cent. to the railway reserve and 75 per cent. to general revenues, the loss, if any, on strategic lines being recovered from general revenues, and
- (iv) for subsequent years and until a new convention is adopted by the Assembly, the allocation of the surplus on commercial lines between the railway reserve and general revenues shall be decided each year on consideration of the needs of the railways and general revenues, the loss, if any, on strategic lines being recovered from general revenues."

The motion was adopted.

THE INDIAN PENAL CODE (AMENDMENT) BILL.

The Honourable Sir Jeremy Raisman (Finance Member): Sir, I move:

"That the Bill further to amend the Indian Penal Code, and to amend the Currency Ordinance, 1940, be taken into consideration."

Sir, the object of this measure is described in the Statement of Objects and Reasons. The position is that whereas the law, as it stands, provides amply for cases of deliberate counterfeiting of currency and bank notes it has been discovered that there is a lacuna which is particularly dangerous in a country such as India. The lacuna is this: If people with no intention to counterfeit nevertheless produce reproductions of currency or bank notes for such purposes as advertisement, nothing can be done to prevent that practice although it may be found in experience that innocent and ignorant persons are actually victimized by the use of these reproductions. Honourable Members may have observed that it is quite a common practice, for instance, in certain places for cinemas to advertise performances or advertise their particular theatre by producing reproductions of currency notes with the name possibly

of the cinema on it or of some particular film star. (Interruption.) Now, whereas no Member of this House could be taken in by a note of that kind,—I am afraid, I cannot guarantee the immunity of Honourable Members against film stars, but I think the Group to which the Honourable Member belongs, at any rate, is extremely unlikely to be taken in by a currency note which merely contains the head of a film star—the unfortunate experience of less educated and less competent people has to be taken into account and there has actually been a case in which a taxi-driver had one of these notes passed to him and he not only accepted it but he gave about eight rupees change. And I regret to say that it also happened once that an officer in a Currency Depot accepted one of these, which was rather dirty, in the middle of a bundle of other genuine currency notes. The matter has obviously reached the proportions of a danger to the general public and it has been strongly represented to the Government that steps should be taken to protect people against this danger. This measure, therefore, is brought forward in order to give a power to prevent this particular form of nuisance and also to prevent the coming into existence of the means whereby deception can be practised on the ignorant and illiterate.

I may say that we have consulted all Provincial Governments and there is general feeling in support of this legislation. I trust, therefore, Sir, that the House will be equally zealous and anxious to protect innocent people from this type of danger. Sir, I move.

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

"That the Bill further to amend the Indian Penal Code, and to amend the Currency Ordinance, 1940, be taken into consideration."

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Have there been any other instances of this nature where this forging has been going on, and if so, how many?

The Honourable Sir Jeremy Raisman: I have mentioned to the House that it has come within our knowledge that two very shrewd people, a currency office clerk and a taxi-cab driver have been imposed upon, and we do believe that there have been quite a number of other deceptions too. The case of the taxi-cab driver came into court. They caught the man who passed the note to him.

Sir F. E. James (Madras: European): This will also cover the kind of note that has been issued in past years at the Industrial Exhibition here! One of my servants brought one thousand rupees worth of "happiness notes" and expected to cash them at the nearest bank. I take it that that would be also prohibited.

The Honourable Sir Jeremy Raisman: I think it would.

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

"That the Bill further to amend the Indian Penal Code, and to amend the Currency Ordinance, 1940, be taken into consideration."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir Jeremy Raisman: I move that the Bill be passed.

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

"That the Bill be passed."

The motion was adopted.

THE COFFEE MARKET EXPANSION (AMENDMENT) BILL.

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

"That the Bill to amend the Coffee Market Expansion Act, 1942, be taken into consideration."

Sir, in the year 1942 the main principles of statutory control of the Indian Coffee industry were accepted in this House. This Bill, though it contains as many as 18 clauses, seeks to make only one important amendment, namely, the amendment made in clause 8 of the Bill. To have an effective control

[Mr. T. S. Pillay.]

over the industry, as the Act contemplates, it has been found by experience that it may be necessary at some times to take the crop of all the registered estates into control. The Act as it stands has not provided for this. It is, therefore, proposed that with the previous sanction of the Central Government, the Board which is vested with responsibility for controlling the industry may, if it so wishes, in any particular year, allot no quota at all for internal sales. In simple words it only means that the entire crop of a particular year may be taken under control so that the sales may be regulated according to supply and demand. We have also taken this opportunity to make one or two minor amendments which have been found necessary with experience of the working of the Act. One such amendment will be found in clause 12 of the Bill. When we are asking that the Board may not allot internal sales quota at all, that may not allow the coffee grower a single pound of coffee to be sold when he is in need of money. So it may be necessary for the Board to pay him the entire cost of the crop which he has delivered to the Board. In order to enable the Board to do this, we have introduced this minor amendment. Sir, all the other amendments are more or less consequential, excepting the one in clause 5, where we have taken the further power to control the retail price of the coffee. Sir, I move that the Bill be taken into consideration.

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

"That the Bill to amend the Coffee Market Expansion Act, 1942, be taken into consideration."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): I find that there are 18 clauses to the Bill. If it is convenient to the House all the clauses may be taken together.

(The House concurred.)

Clauses 2 to 18 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

Mr. T. S. Pillay: Sir, I move that the Bill be passed.

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

"That the Bill be passed."

The motion was adopted.

THE INDIAN ARMY AND AIR FORCE (MILITARY PRISONS AND DETENTION BARRACKS) BILL.

Mr. C. M. Trivedi (Secretary, War Department): Sir, I move:

"That the Bill further to amend the Indian Army Act, 1911, and the Indian Air Force Act, 1932, be taken into consideration."

This is a simple measure. Honourable Members will find its purpose described in the Statement of Objects and Reasons, but it is perhaps desirable that I should briefly explain the object of the amending Bill and its clauses. The Indian Army Act and the Indian Air Force Act, as they stand at present, do not contain any provision for military and air force prisons. These two Acts also require that all sentences of imprisonment exceeding three months awarded by courts martial must be carried out in civil prisons. I may inform the House in this connection that persons committed to such prisons are invariably discharged from the Indian Army or Indian Air Force, as the case may be. Both the Indian Army Act and the Indian Air Force Act permit sentences of imprisonment not exceeding three months to be carried out in military or air force custody, but in the absence of military or air force prisons such custody takes the form of confinement in unit cells.

This system is unsatisfactory in two respects. Firstly, although many persons sentenced by courts martial for more than three months are not criminals in the accepted sense of the term, they must undergo imprisonment in civil jails where it is not possible to continue their military training and where they may and do come into contact with ordinary criminals, with the result that they cannot be retained in the service. The Indian Army and the Indian

Air Force thus needlessly lose manpower at a time when they can ill afford to do so. Secondly, experience has shown that the number of cells, particularly in newly raised units, and those which have greatly expanded and also in small units, is not sufficient to accommodate persons sentenced to imprisonment for periods not exceeding three months.

The Bill is designed to remedy this unsatisfactory position. Clauses 4 and 6 empower the Central Government to establish military and air force prisons and to make rules for their government and discipline, while the amendments of section 107 of the Indian Army Act and section 118 of the Indian Air Force Act proposed in clauses 2 and 5 of the Bill, permit courts martial, confirming officers or prescribed officers as the case may be, to direct that sentences exceeding three months shall be carried out in confinement in a military or air force prison. The intention is to send to military prisons only those prisoners whom it is desired, having regard to all relevant circumstances, including the nature of the offences for which they were convicted, to retain in the service. A certain number of prisoners sentenced to imprisonment for periods of three months or less will also be sent to such prisons. I may add for the information of the House that it is proposed to establish two military prisons, each capable of accommodating 300 prisoners. Facilities for continuing military training will be provided in these prisons. Sir, I move.

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

"That the Bill further to amend the Indian Army Act, 1911, and the Indian Air Force Act, 1932, be taken into consideration."

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Part (a) of the Statement of Objects and Reasons says:

"providing additional facilities for the incarceration in military custody of persons subject to the Indian Army Act and the Indian Air Force Act, who are ordered to undergo sentences of imprisonment awarded by courts martial, but for whom sufficient accommodation in cells does not exist."

This is not very clear. I would like to know whether those persons who are nowadays tried by martial courts—there are civil population also who are being tried by the martial courts . . .

An Honourable Member: . . . courts martial.

Mr. Lalchand Navalrai: It is martial courts, as they call it. I want to know whether those prisoner also will be affected. I will give an example. Civil population who are being accused under the Defence of India Act are also being tried by martial courts, and I want to know whether they will also come under this Bill or not. For instance, in Sind, there is a martial court, and it is not only the military people, but even the civil people are being tried. I would like to know whether this Act will apply to them or not. The regulations that have been made by the Administrator in Sind for martial Law jurisdiction are guided by the Army Act itself. I would like to know whether it is intended only for the military people.

Mr. O. M. Trivedi: Sir, this Bill is only intended for military prisoners. My Honourable friend is confusing courts martial with martial law courts. There is no intention whatever of sending persons sentenced by the martial law courts to these prisons.

Pandit Lakshmi Kanta Maitra (Presidency Division: Non-Muhammadan Rural): I am afraid I have not been able to understand the real purpose of this Bill. I have read the Statement of Objects and Reasons. A perusal of it gives one the impression that the punishment that is going to be meted out to delinquents in the army and air force is not intended to be what is required by canons of criminal jurisprudence. The object of penal legislation is to make it deterrent, retributive and reformatory. It now appears that only one aspect of this question has engrossed the attention of the sponsor of this Bill. Is it the intention of the Government that those who may be guilty of offences involving violence to life or property or involving moral turpitude would not be sent to ordinary civil prisons of the land governed by the ordinary rules of prisons, but would be placed in a special category of prisons to be set up? We do not know how they are to be treated and what they will be called

[Pandit Lakshmi Kanta Maitra.]

upon to do. If that is so, it is quite pertinent to ask what is the real motive of the Government. Do they want that these delinquents should be in some sort of reformatory schools, the so-called prisons, so that they may revert back to military service? It seems to me that the question of shortage of room in prisons is not really the question, is not really the consideration that has weighed with the Government in bringing forward this Bill. We have not been told if there has been an abnormal increase in the prison population of the country in recent times, neither have we been told that the military department have been suffering from an undue percentage of people who instead of keeping themselves in their normal occupations are finding their proper places in prisons. It has not been explained to the House what are the abnormal circumstances which have taken place, which necessitate this Bill. If the object is that they will be segregated in prisons where they will not be called upon to undergo hard labour even if they are condemned to penal servitude but are to be treated in such a manner that they may be reclaimed and eventually re-absorbed in the military service after a certain term, then I will have to object to this. If men in the military service behave themselves in a manner which makes them amenable to the ordinary law of the land, I for myself will stubbornly oppose a measure which seeks to deal with them leniently. I do not believe in re-absorbing those who may be sentenced to longer terms of imprisonment than three months, and who may be guilty of offences involving grave moral turpitude; they should not be re-absorbed in the army if that is barred by the ordinary law of the land. I do not think that the prestige or even the morale of the military department will be enhanced by that. If, on the other hand, the plea is real and genuine that the army of late has been yielding such a heavy percentage in prison going population that the Government should have an institution for them, then, of course, it is for the department to consider whether, with the question of segregation or housing of this distinct class of prisoners, they will introduce some measures which will make them correct their ways and behave in a manner which will not be detrimental to the interests and safety of the people at large. I have not heard one single sentence so far from the Honourable the Mover of the Bill as to the real object of the Government in bringing forward this Bill. If it is only a question of finding shelter for these people, then, of course, I have no objection, but if it is designed to screen them from the consequences of their illegal actions for which they may be condemned to prison, I will certainly object. They cannot be made to escape the consequences of their own actions. They should be placed under the same conditions as ordinary culprits and delinquents. In other words, they should suffer the consequences of their actions, and the rigours of ordinary prison life. If that is not done, then, I think this Bill will produce an entirely different effect. It will encourage lawlessness in the military people. They will feel encouraged that after all the ordinary hardship of jails, the penalties and hard conditions of life in Indian jails are not to be experienced by them; that they will have institutions meant solely for them, manned and officered by their own men, with nothing of the hardships of ordinary Civil prisons. I do not think that this would augur well for the military. In any case, the public at large should view such a scheme with a good deal of concern and anxiety.

Sir, if this Bill is passed into law, as I am sure it will be in the next few minutes, it will involve additional financial burden on the exchequer. If military prisons are to be set up in different parts of India at the present moment with special officers and personnel for every prison, then, Sir, we may be called upon to foot a bill which will be very heavy, and what is the justification for asking the exchequer or rather the Indian taxpayer to meet that additional bill? If, on the other hand, Government remove a portion of the ordinary civil prisoners to certain segregated areas and set free a number of civil prisons hitherto occupied by them, then, of course, the economic burden might be lightened. We have not been told clearly about the scheme of the Government, the number of prisons they want to set up immediately

and the amount that will be involved in it. I expected that in the speech some such indication would be given but in the absence of these data how do you expect us to pass this Bill just now?

Sir, this is not a very small Bill. It has got several clauses and I expected, Sir, that the Honourable Member would give the House greater details in his speech on the points on which we naturally desire information. I want to know from the Honourable Member in charge of this Bill if the cost of establishing these prisons and the cost of running their administration would be met by the Defence Department or by the general department of the Government of India. There are, for instance, Centrally Administered Areas and for them, of course, the Central Government is the direct body which will have to meet the expenses but I want to know whether, in the military prisons that might be set up in the different provinces, the Central Government is going to meet all the expenses or whether the Provincial Governments would be called upon to meet them or whether the expenditure is going to be met jointly by the Provincial and the Central Governments. If the decision of the Government is that all such expenses would be met jointly by the Centre and by the Provinces, the question would naturally arise, what percentage will be borne by the Centre and what percentage would be borne by the respective Provinces where these prisons will be set up?

Then, Sir, the question would arise: when you are going to set up a distinct class of prisons for these military people, what about the officers of these prisons and the judges? Would the ordinary judges try the cases or the military courts? I know that courts martial are set up by the Defence Department. Are these people to be tried by the ordinary magistracy? The ordinary judiciary or magistracy may be empowered to have summary jurisdiction. This has been done in some places now. You have not got military courts everywhere. In such cases, special magistrats are appointed and empowered to try military people and convict them if necessary. For the purpose of holding judicial inquiries, the military authorities have occasionally requisitioned the services of the ordinary magistracy and the judiciary. Now,

when you are going to have a distinct class of prisons with a distinct set of administration, you ought to give us some idea about the prison officers and their appointing authority. In this connection, a lot of other considerations would also arise.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can continue his speech on the next day.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 3rd March, 1943.