

Monday, 20 November, 1944

COUNCIL OF STATE DEBATES

(OFFICIAL REPORT)

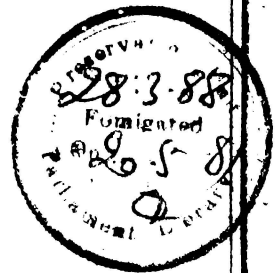
VOLUME II, 1944

(8th to 21st November, 1944)

SEVENTEENTH SESSION

OF THE

FOURTH COUNCIL OF STATE, 1944



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COUNCIL OF STATE
Monday, 20th November, 1944

The Council met in the Council Chamber of the Council House at Eleven of the Clock, the Honourable the President in the Chair.

QUESTIONS AND ANSWERS

UNILATERAL ECONOMIC DISARMAMENT SCHEME

144. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH** : Are Government aware of any scheme of "Unilateral economic disarmament, by which the British Empire (including India) would throw open its world wide system of airports to foreign air lines without appropriate guarantees" and, if so, have Government entered their protest against the scheme?

Will Government make a statement on the proposed scheme indicating the nature of guarantees which would be necessary to obtain in order to safeguard the interests of India in any system of international or Empire air transport?

THE HONOURABLE SIR MAHOMED USMAN : Government are not aware of any such scheme. The latter part of the question does not arise.

MAIL SERVICE FROM CALIFORNIA TO CANTON, ETC.

145. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH** : (a) Are Government aware that an application for authority to fly passenger and mail service from California to Canton in China *via* Tokio, and from there to Calcutta after the War has been filed with the Civil Aeronautics Board by the Ryan School of Aeronautics of San Diego, California?

(b) Will Government enquire, and make a statement indicating the main features of the scheme so far at least as it affects India in her international, financial or other obligations?

THE HONOURABLE SIR MAHOMED USMAN : (a) The Government of India have no information with regard to specific applications filed with the Civil Aeronautics Board of the United States Government. The Board have announced a list of international air routes which they consider desirable for post-war operation by the United States Air Carriers. The air route mentioned by the Honourable Member is included in this list.

(b) No details are available. The Government of India do not propose to make an enquiry of the United States Government on the subject as it will be for the latter to approach the Government of India for permission to operate a service to India.

INDIAN REPRESENTATIVE TO THE INTERNATIONAL AVIATION CONFERENCE IN WASHINGTON

146. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH** : Have Government taken steps or do they contemplate to take steps to associate non-official Indian representatives in the delegation to the International Aviation Conference in Washington? Has the Conference taken place; and, if so, what were the decisions arrived at with reference to India?

THE HONOURABLE SIR MAHOMED USMAN : Government carefully considered the question of including non-officials in their delegation to the International Conference on Civil Aviation now in session in the United States of America and came to the conclusion that it was neither practicable nor necessary to do so. The Conference is now in session and its deliberations have not yet concluded.

EXPANSION OF THE INTERNATIONAL SECURITY PLAN

147. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH** : (a) Are Government aware that a full dress conference of the United Nations is shortly going to be held to consider, among other subjects, the question of expanding the framework of the international security plan; and, if so, has India been invited to this Conference and by whom is India going to be represented?

(b) If not, do Government propose to press for the inclusion of India in this and subsequent conferences which may be held?

THE HONOURABLE SIR MAHOMED USMAN : With your permission, Sir, I will answer questions Nos. 147 and 149 to 152 together.

Conversations between officials representing the Governments of the United Kingdom, the United States of America, the Soviet Union and China were held at Dumbarton Oaks in the United States of America between the 21st August and 7th October, 1944, for the discussion of matters relating to the establishment of an International Organization for the maintenance of peace and security. India was treated like the Dominions and kept in touch with these discussions. The participation of India in any further conferences and the appointment of Indian representatives to attend them are under consideration.

INDIAN AND THE U. S. A. REPRESENTATIVES ON THE POST-WAR CIVIL AVIATION

148. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH : (a) Is it a fact that discussions between representatives of India and the U.S.A. on post-war civil aviation have concluded in August last? If so, what were the conclusions arrived at relating to the transit and commercial entry of aircraft as well as the constitution and functions of an international air organisation?

(b) Is it intended to call an international conference to draw up an international air navigation convention and if so, what will be the position of India *vis-a-vis* this conference and convention as regards representation, control and other kindred functions?

THE HONOURABLE SIR MAHOMED USMAN : (a) The reply to the first part of the question is in the affirmative.

As regards the second part, the Honourable Member is referred to the Press Communiqué, dated the 29th August, 1944, issued by the Government of India on the termination of the discussions. The discussions were informal and exploratory.

(b) An International Civil Aviation Conference is at present in session in Chicago. The Government of India is represented at this Conference, and matters referred to by the Honourable Member are likely to be discussed there.

INTERNATIONAL SECURITY CONFERENCE

***149. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Are Government aware that the heads of the British and Soviet delegations to the International Security Conference have announced sometime back that general agreement has been reached with regard to the proposal that the organisation for peace and security should provide "for an assembly composed of representatives of all peace loving nations based on the principle of sovereign equality," and the institution of International Court of Justice?

(b) Was India represented at this conference; and what will be the position of India with reference to the decisions of this conference or subsequent similar conferences?

INDIA'S REPRESENTATIVE TO THE DUMBARTON OAKS CONFERENCE

***150. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Will Government state who represented India at the Dumbarton Oaks Conference, or who will represent her at any future sessions of it?

DUMBARTON OAKS SECURITY CONFERENCE

***151. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Will Government state who represented India at the Dumbarton Oaks Security Conference; and (b) what are the decisions of the conference (if any), affecting India, regarding the establishment of a world security organization or any other matter?

POSITION OF INDIA IN THE DUMBARTON OAKS PLAN

***152. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** With reference to the tentative proposals of the Dumbarton Oaks plan according to which the United States, Britain, the Soviet Union, China and later on France will have the main

*For answer to this question please see answer to question No. 147.

power and responsibility for keeping the peace of the world and subsequently six other states will be elected to the Council, will Government state whether India comes within the scope of this plan as a member of the council to be constituted in pursuance thereof; if not, what steps have Government taken or propose to take to assert the claim of India for a position in the scheme adumbrated at Dumbarton Oaks?

DUMBARTON OAKS INTERNATIONAL ORGANISATION

153. THE HONOURABLE MR. P. N. SAPRU: Will Government state whether they propose to place for discussion before the Indian Legislature the plan for a general International Organization adumbrated at Dumbarton Oaks before it is finally approved by them on behalf of India?

THE HONOURABLE SIR MAHOMED USMAN: The discussions at the Dumbarton Oaks Conference were purely exploratory. Detailed proposals will be considered at later conferences and the question of the extent and manner of India's participation in them is still under consideration.

THE HONOURABLE MR. HOSSAIN IMAM: Do Government propose to place these proposals before the Council of State as well?

THE HONOURABLE SIR MAHOMED USMAN: Government have to consider it. I cannot give a reply off-hand.

THE HONOURABLE MR. HOSSAIN IMAM: Is there any objection to the publication of the plan outlined at the Dumbarton Oaks Conference?

THE HONOURABLE SIR MAHOMED USMAN: I shall consider this suggestion, Sir.

THE HONOURABLE MR. HOSSAIN IMAM: Is it a fact that this report has been published and given to the members of the Reconstruction Committee?

THE HONOURABLE SIR MAHOMED USMAN: As I have already said, Sir, my position is that the matter will be considered.

NUMBER OF LICENCES CANCELLED OF WHOLESALE DEALERS IN YARNS IN 1943 IN MADRAS

154. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state:—

(a) The number of licences of wholesale dealers in yarn cancelled by the Provincial Textile Commissioner, Madras, during the calendar years 1943 and 1944 (up-to-date)?

(b) How many of those whose licences were cancelled were non-Muslims and how many Muslims with the quota to which they were entitled, mentioned separately under these two heads?

(c) The quotas now held by (i) Non-Muslims and (ii) Muslims.

(d) How the quota of those whose licences were cancelled was disposed of and how much of it was granted to non-Muslims and how much to Muslims.

THE HONOURABLE SIR AKBAR HYDARI: We have asked the Madras Government for the information desired by the Honourable Member, but have not yet had a reply from them. As soon as we receive this information I shall furnish it to the Honourable Member.

THE HONOURABLE MR. HOSSAIN IMAM: May I ask, Sir, if the Honourable Member will place it on the table of the House?

THE HONOURABLE SIR AKBAR HYDARI: I am willing to do that, Sir.

CONSTRUCTION OF MENIAL QUARTERS

155. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state how many Government quarters have been constructed for peons, daftries and Jamadars employed in the Secretariat of the Government of India and attached offices.

THE HONOURABLE MR. H. C. PRIOR: Presumably the Honourable Member requires information in respect of quarters constructed for peons, etc., in Delhi. There are 1,711 quarters for peons and 631 for daftries and Jamadars.

THE HONOURABLE MR. HOSSAIN IMAM: I want to know about the new construction since the start of the war.

THE HONOURABLE MR. H. C. PRIOR: I must ask for notice, Sir.

ALLOTMENT OF QUARTERS TO JAMADARS AT ALI GANJ

156. **THE HONOURABLE MR. HOSSAIN IMAM:** Is it a fact that Jamadars are allotted quarters at places far distant from their officers' bungalows? If so, do Government propose to construct quarters for Jamadars near their officers' residences or to allot quarters in Ali Ganj area to all the Jamadars? If not, why not?

THE HONOURABLE MR. H. C. PRIOR: (1) There is no information and collection of statistics will entail considerable labour and time not considered necessary in war time.

(2) No.

(3) No. Building of quarters of Jamadars near their officers' residences cannot be undertaken in view of the short supply of building resources and lack of suitable building sites.

There is no reason to think that there is any unfairness or avoidable inconvenience resulting from the present method of allotment.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member consider constructing these quarters in the new area that is going to be built up?

THE HONOURABLE MR. H. C. PRIOR: We are now examining the question of site.

PAYMENT OF SAUDI DUES

157. **THE HONOURABLE MR. HOSSAIN IMAM:** (a) Has the attention of Government been drawn to a note published in daily 'Inqilab' of Lahore dated the 26th October, 1944, on page 3, with regard to the payment of Saudi dues being realised from Hedjaz pilgrims before embarkation from Indian ports?

(b) Is it a fact that every pilgrim had to pay Rs. 444 instead of 292-8-8 actually due according to current rate of exchange? If so, do Government propose to refund the excess amount realised and abolish the system of advance payment in India; if not, why not?

THE HONOURABLE MR. RABINDRA NATH BANERJEE: (a) Yes.

(b) According to the rate of exchange of sovereigns the dues might have been Rs. 292-8-0. Payment could not, however, be received in gold as, owing to existing restrictions, gold could not be exported for making remittances to the Saudi Arabia Government. In accordance with the decision of the Saudi Arabia Government, the proceeds of these dues have to be remitted to them in rupees. The rupee exchange rate of Rial had been laid down by the Saudi Arabia Government and this exchange rate was binding on us. According to this rupee exchange rate Rs. 444-4-0 had to be recovered per head for those dues.

No refund can be given. The system of advance payment had to be adopted in accordance with the instructions of the Saudi Arabia Government. It was enforced also in other Muslim countries from which Haj pilgrims proceeded. The Government of India are therefore not in a position to abolish the system.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member enlighten us what was the rate of Rial in rupee exchange?

THE HONOURABLE MR. RABINDRA NATH BANERJEE: I am afraid I have not got the information, but the rupee exchange rate of Rial was higher than the sovereign exchange rate.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member take this matter up with the Saudi Arabia Government so that this injustice may be removed?

THE HONOURABLE MR. RABINDRA NATH BANERJEE: We have already done so, Sir, but I am afraid there is no hope of any change.

THE HONOURABLE MR. HOSSAIN IMAM: For the future at least will they take care to see that we are not penalised?

THE HONOURABLE MR. RABINDRA NATH BANERJEE: We will certainly consider that, Sir.

EDITORIAL IN THE "ADIL" OF DELHI REGARDING INTERFERENCE IN MUSLIM
RELIGION

158. THE HONOURABLE MR. HOSSAIN IMAM: Will Government state whether their attention has been drawn to an Editorial in the 'Adil' of Delhi, dated the 28th October, 1944, entitled "Musalmanon ke Shaaer Mazhabi men khuli madakhilat" ?

THE HONOURABLE MR. RABINDRA NATH BANERJEE: Yes.

THE HONOURABLE MR. HOSSAIN IMAM: What is the reply of the Honourable Member to the allegations made in the paper ?

THE HONOURABLE MR. RABINDRA NATH BANERJEE: Only 16 out of those who claimed to have had tickets could not embark. It was found that out of the 16 six had not brought the reservation cards and could not get their tickets and 10 who belonged to the party of Khan Bahadur Wajihuddin bought their tickets at about 1-30 P.M. on the date of embarkation and although they were asked to proceed to the dock immediately they did not. Even at 4 P.M., a gentleman of the party was told by one of our officers to proceed to the dock immediately, but unfortunately the Khan Bahadur and his party were living outside the pilgrim camp and I think he could not go there in time. I may add that nobody regrets the inconvenience caused to the Khan Bahadur more than Government, but I am afraid on such information as I have had so far, the fault lay largely with him.

THE HONOURABLE MR. HOSSAIN IMAM: Do Government propose to compensate him for this inconvenience ?

THE HONOURABLE MR. RABINDRA NATH BANERJEE: Government owns no claim for compensation in such cases.

MANUFACTURE OF BOILERS IN INDIA

159. THE HONOURABLE SAHYAD MOHAMED PADSHAH SAHIB BAHADUR: Will Government give the following information about boiler manufacture :—

(a) Is it a fact that plans are in hand for commencing the manufacture of locomotive boilers as soon as possible during the War ? If so, what is the estimated cost and when is it expected that boilers will be made in India ?

(b) Has any order for machinery been placed in U. K. ; if so, has it been accepted and when is delivery expected ?

(c) Has any order been reserved for U. S. A. ; if so, has it been accepted ; if not, why ?

(d) Have Government examined whether machine tools manufactured in munition factories can be used in substitution of tools to be imported from U. S. A. ; if not, do they propose to examine the question ; if not, why ?

THE HONOURABLE MR. D. D. WARREN: (a) Yes. With regard to the second part of the question, it is estimated that the total capital expenditure on the East Indian Railway Singhbhum project will come to about Rs. 90 lakhs and that the manufacture of boilers will commence towards the end of 1945.

(b) Yes, the machines required for this project have been ordered in England and are expected to be despatched by the end of June, 1945.

(c) No, the second part of the question does not arise.

(d) Yes. The Machine Tool Controller has taken into account Indian production in placing indents for machine tools.

THE HONOURABLE MR. HOSSAIN IMAM: May we ask if all the machinery required have been ordered from the U. K. ?

THE HONOURABLE MR. D. D. WARREN: Yes, Sir. All the machinery required has been ordered from the U. K. The question of one or two items in the machine tool category is still under consideration.

THE HONOURABLE MR. HOSSAIN IMAM: Is it a fact that the U. S. A. Government is not giving us the supply which we want from the U. S. A. ?

THE HONOURABLE MR. D. D. WARREN: No, Sir.

THE HONOURABLE MR. HOSSAIN IMAM: I am glad to hear it.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Is it the settled policy of Government to order all machinery from the U. K. or have they in this case ordered machinery from the U. K. because the U. K. machinery will be better than the U. S. A. machinery ?

THE HONOURABLE MR. D. D. WARREN : The question of price and quality and availability of machinery has to be taken into consideration in allocating demands as between U. K. and U. S. A.

THE HONOURABLE MR. HOSSAIN IMAM : Did Government have any offers from U. S. A. ?

THE HONOURABLE MR. D. D. WARREN : No offers came from there. Inquiries were made.

THE HONOURABLE MR. HOSSAIN IMAM : Were any tenders invited from the U. S. A. manufacturers ?

THE HONOURABLE MR. D. D. WARREN : As far as I am aware, Sir, prices were called for. I do not think tenders were invited from several firms generally, but I understand that prices were called for from both countries.

RESERVATION OF RAILWAY COMPARTMENTS

160. **THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY :** Will Government state :—

- (a) Whether the Railway authorities have issued a circular to the effect that—
 (i) a compartment cannot be reserved by any member of the public, and
 (ii) no berth can be reserved from an intermediate station ?
 (b) Is any exception made in favour of a person either civil or military in the above cases ?

THE HONOURABLE MR. D. D. WARREN : (a) (i) Yes.

(ii) No. The orders are that a reservation from an intermediate station cannot now be secured by the payment of fares from the starting station. Accommodation may be reserved from an intermediate station subject to its being available but such a reservation cannot be guaranteed.

(b) An exception is made in regard to reservation of compartments in favour of high Government officials, civil and military, who are normally entitled to requisition reserved compartments for their journeys on duty to enable them to undertake urgent and confidential work while travelling. Similarly, in regard to reservation of accommodation from intermediate stations, Railways have been instructed to devise means to secure such reserved accommodation for Members of the Standing Committee of the Chamber of Princes, Members of the National Defence Council; and high Government officials, entitled to reserved accommodation for their journeys on duty.

THE HONOURABLE MR. SUSIL KUMAR ROY CHOWDHURY : Will Government consider the desirability of extending the exception in the case of Members of the Central Legislature for reserving a compartment if they pay the full fares for the number of berths in the compartment and for reserving a berth at an intermediate station if they give timely intimation ?

THE HONOURABLE MR. D. D. WARREN : The suggestion will be considered.

GRANTING OF WAR ALLOWANCE TO PENSIONERS

161. **THE HONOURABLE DIWAN BAHADUR SIR K. RAMUNNI MENON :** Will Government state whether :—

(a) War Allowance has recently been granted to Government servants employed in the Central Government, drawing up to a maximum monthly salary of rupees one thousand ?

(b) Have any such allowances been granted to Government pensioners drawing up to a monthly pension of rupees one thousand ? If the reply to (b) is in the negative, do Government propose to extend the scheme of War Allowance to Government pensioners under the Central Government ?

THE HONOURABLE SIR CYRIL JONES : (a) Yes.

(b) No. But Government have already sanctioned relief to pensioners by granting temporary increases in their pensions on the following scale:—

Rs. 3 per mensem in pensions not exceeding Rs. 20 per mensem.

Rs. 4 per mensem in pensions exceeding Rs. 20 but not exceeding Rs. 40 per mensem.

Rs. 5 per mensem in pensions exceeding Rs. 40 but not exceeding Rs. 75 per mensem.

The scheme of war allowances cannot be extended to Government pensioners as considerations of the efficiency of the public service do not apply in the same degree in respect of pensioners as of persons in the active service of Government. Government are, therefore, obliged to restrict the extent of relief to pensioners to limits which do not impose an undue burden on the tax-payer. It should furthermore not be forgotten that the war has provided greatly increased opportunities of employment for pensioners and their families.

BASIC per capita RATION OF RICE, ETC., TO CIVILIAN AND MILITARY PERSONNEL

162. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state the basic per capita ration of rice, wheat, sugar and pulses for civilians in different provinces, and for Indian, European, American and Chinese soldiers in the defence forces ?

THE HONOURABLE MR. B. R. SEN : Two statements are placed on the table.

'A' Statement showing Basic per capita ration per week in All Provinces

Provinces	Important town	Rice Maximum allowed	Wheat	Sugar	*Pulses	Total Cereal Ration per week Foodgrains
1. Bengal	1. Calcutta	5 lb. . . . Maximum.	7 lbs.	12 oz.	..	8 lbs.
2. Assam	2. Chittagong	4 lbs. . . .	3 lbs.	4 oz. . .	1 lb.	8 lbs.
	Shillong, etc.	6 lbs. . . .	2 lbs.	Varies from 8 oz. to 1 lb.	½ lb.	8½ lbs.
3. Bihar	1. Patna	6 lbs. rice or wheat, etc.		10 oz.	..	6 lbs.
	2. Jamshedpur	Ditto . . .	Ditto . . .	12 oz.	..	6 lbs.
4. Orissa	1. Cuttack	5½ lbs.	2 lbs.	10½ oz.	..	7.4 lbs.
	2. Berhampur.	5-6 lbs.	..	7 oz.	..	5.6 lbs.
	3. Sambalpur.	..	3 lbs.	1 lb.	..	..
5. Punjab	1. Lahore	}	All wheat 7 lbs.	9 oz.	..	7 lbs.
	2. Amritsar					
	3. Rawalpindi					
6. Sind	1. Karachi	}	8 lbs.	..	..	8 lbs.
	2. Hyderabad					
7. U. P.	39 Regulated Towns.	Western Dis- tricts 3-8 lbs.	5-4 lbs.	..	..	10-15 lbs.
		Eastern Dis- tricts 5-4 lbs.				
8. N.-W. F. P.	Peshawar	Total 8 lbs. Composition not known	..	8 oz.	..	8 lbs.
9. C. P. and Berar.	Nagpur	}	7 lbs.	..	..	7 lbs.
	Jubbulpore					
10. Madras.	1. Madras City including subn. area.	}	7-7 lbs.	..	Wheat also recently included in ration; proportion not knowp.	7-7 lbs.
	2. Vizagapatam Vizianagram.					
	3. Dharampur- am.					

Provinces	Important Town	Rice <i>Maximum allowed</i>	Wheat	Sugar	*Pulses	Total Cereal Ration per week Foodgrains
<i>Madras—contd.</i>						
	4. Erode	7-4 lbs.	..	..	..	7-4 lbs.
	Tirupur.	6-15 lbs.	..	..	..	6-16 lbs.
	5. Anakapali Mangalore.					
	6. Cuddapah	7-5 lbs.	..	..	..	7-5 lbs.
	7. Anantapur Masulipatam	7-11 lbs.	..	..	..	7-11 lbs.
	8. Tadpatri	7-14 lbs.	..	..	..	7-14 lbs.
	9. Cochin	6-0 lbs.	..	..	..	6-0 lbs.
	10. Rajamundry	7-6-72 lbs.	..	..	..	7-6-72 lbs.
	11. South- Kara Distt. Chicacole	6-93 lbs.	..	..	..	6-93 lbs.
	12. Malabar Distt.					
		<i>Maximum allowed</i>				
11. Bombay	1. Bombay City.	3-4 lbs.	4-14 lbs.	12 oz.	..	6-8 lb.
	2. Nasik	1-6 lbs.	..	8 oz.	..	5-9 lbs.
	3. Belgaum	2-13 lbs.	1-14 lbs.	8 oz.	..	6-8 lbs.
	4. Ahmedabad	1-12-8 lbs.	4-10-1 lbs.	10 oz.	..	6-69 lbs.
	5. Surat	1-4-6 lbs.	5-2-3 lbs.	10 oz.	..	6-69 lbs.
	6. Poona	1-5 lbs.	4-10 lbs.	10 oz.	..	6-27 lbs.
	7. Jalgaon	1-0 lb.	4-0 lbs.	10 oz.	..	6-5 lbs.
	8. Sholapur	0-14-8 lbs.	1-6-4 lbs.	10 oz.	..	6-8 lbs.
	9. Hubli	3-4 lbs.	1-14 lbs.	10 oz.	..	6-8 lbs.

In all the rationed rural areas, the ration is 28 lbs. p. m.

*Pulses are rationed only in Chittagong (Bengal) and Assam.

†Madras city ration applies to rest of the rationed places in Madras.

Administrations		Rice	Wheat	Pulses	Sugar	Total
1. Ajmer-Mer- wara.	Ajmer City	14 oz.	6-2 lbs.	..	2 lbs.	7 lbs.
2. Báluchistan	Quetta	..	Atta 7 lbs.	..	8 oz.	7 lbs.
3. Delhi	Delhi and New Delhi.	Maximum 4-0 lbs.	Maximum 7-14 lbs.	..	10 oz.	7-14 lbs.

'B' Statement showing daily scale of issue to troops

Ration Article	Indian Troops		British Troops	U. S. A. Forces	Chinese
	Rice Eaters	Atta Eaters			
Rice	16 ozs.	Nil	4/7 oz.	Nil	20 ozs.
Wheat-Atta	8 ozs.	24 ozs.	Nil	Nil	6 ozs.
Flour	Nil	Nil	3/7 oz. (plus 10-8 ozs. in form of bread).	6 ozs.	Nil
Sugar	2½ oz.	2½ oz.	3½ oz.	4½ oz.	½ oz.
Pulses-Dhalls	4½ oz.	4½ oz.	Nil	Nil	Nil

REDUCTION OF RATIONS OF DIFFERENT CATEGORIES OF DEFENCE FORCES

163. THE HONOURABLE MR. HOSSAIN IMAM : (a) What reduction, if any, has been made in the rations of different categories of defence forces from November 1942 ration to the present ration ?

(b) What was the consumption of different kinds of meat by defence forces in 1943-44 and how much reduction in local produced meat is contemplated next year ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) No reduction of rations has been made or is possible without abandoning the standards laid down by the medical authorities and sacrificing the health of the troops.

(b) As regards the first part, the consumption in tons of different kinds of meat from March, 1943 to March, 1944 was approximately as follows :—

Beef	23,696
Mutton (Sheep and Goats)	14,226
Tinned meat (Imported)	20,000
Dehydrated meat (indigenous)	315

As regards the second part no reduction of consumption of indigenous meat by Indian troops is envisaged during the next year, but it is hoped that by the end of 1945 issues of imported frozen meat will have increased to such an extent that the off-take of indigenous meat for British and Allied troops will be reduced to one quarter of the present figure.

THE HONOURABLE MR. HOSSAIN IMAM : Will His Excellency give us some idea of the proportion of beef consumed by the Indian troops and the other Allied troops? The proportion.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I am afraid I must ask for notice of that.

THE HONOURABLE MR. HOSSAIN IMAM : Has any arrangement been made by the U. S. A. to supply tinned meat to its own forces in India?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Certainly.

THE HONOURABLE MR. HOSSAIN IMAM : Has that amount of tinned meat been included in the statement which His Excellency gave?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : These figures relate to the period from March, 1943 to March, 1944. These are the latest figures I have got.

THE HONOURABLE MR. HOSSAIN IMAM : Do they include the U. S. A. supplies, or only the United Kingdom supplies?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : They include all supplies, as far as I know.

APPOINTMENT OF MUSLIM OFFICERS IN THE HOME DEPARTMENT

164. **THE HONOURABLE MR. HOSSAIN IMAM :** Will Government state whether it is a fact that no Muslim officer has been appointed to a permanent Secretariat post in the Home Department in the last 12 years; if not, when and for how long was a Muslim appointed? How many non-Muslim Indians have been so appointed and to what posts?

THE HONOURABLE MR. E. CONRAN-SMITH : The Honourable Member presumably refers to posts of and above the rank of Assistant Secretary. The post of Assistant Secretary is filled by promotion while appointments to the higher Secretariat posts, e.g., those of Secretary, Deputy Secretary and Under Secretary are made without regard to communal considerations. Since 1932, 5 Hindus, 1 Muslim and 1 Indian Christian have been appointed to posts of Deputy Secretary; 5 Hindus and 3 Muslims to posts of Under Secretary and 2 Hindus and 2 Anglo-Indians to posts of Assistant Secretary. The Muslim Deputy Secretary held the post from 17th January, 1940 to 9th June, 1940 and the Muslim Under Secretaries from 21st December, 1937 to 21st November, 1938, 15th July, 1939 to 31st October, 1939 and 17th August, 1943 to 30th September, 1944.

THE HONOURABLE MR. HOSSAIN IMAM : Am I correct in assuming that no Muslim has been appointed permanently to any of these posts?

THE HONOURABLE MR. E. CONRAN-SMITH : I think the Honourable Member is under a misapprehension. These posts are tenure posts, and the officers were appointed to them in the same way as members of other communities. But it may happen that a tenure is shortened because the province asks for officers to be sent back, or it may be that they are transferred to other Departments. Those reasons operated in the case of these Muslim officers.

PAPER PRODUCTION IN INDIA

165. **THE HONOURABLE MR. HOSSAIN IMAM :** Will Government state the difference between the figures of paper production given in reply to my question

No. 15 asked on the 8th November, 1944 and in Part II of *Monthly Survey of Business Conditions in India* of March, 1944 (page 319) ?

THE HONOURABLE SIR AKBAR HYDARI : The figures of paper production given in reply to the Honourable Member's question No. 15 cover the total production of all the mills in India whereas the figures given in the *Monthly Survey of Business Conditions in India* do not cover the production of all the mills. The Honourable Member's attention is also invited to the footnote to the table of figures of production given in the *Monthly Survey of Business Conditions in India*. The footnote states that the figures are provisional.

THE HONOURABLE MR. HOSSAIN IMAM : Am I correct in assuming that the Government publishes wrong figures in that publication ?

THE HONOURABLE SIR AKBAR HYDARI : I cannot say anything about the Honourable Member's assumption, but the fact remains that in the production figures given in the *Monthly Survey of Business Conditions in India* the figures of two mills are not included. The figures given in the publication are collected on a voluntary basis, whereas our figures are collected under the Paper Control Production Order.

THE HONOURABLE MR. HOSSAIN IMAM : May I request the Honourable Member to give his figures in future to this publication of Government ? Will he see that authentic figures of production are published in this monthly, and not mere guesswork ?

THE HONOURABLE SIR AKBAR HYDARI : The editor of this paper is at liberty to ask for the figures.

THE HONOURABLE MR. HOSSAIN IMAM : Is it a Government publication ?

THE HONOURABLE SIR AKBAR HYDARI : Yes, Sir, but it is not my Department's publication.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Labour Department take note of it, if there is a representative of that Department here ?

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : The Labour Department sleeps.

THE HONOURABLE SIR MAHOMED USMAN : You cannot ask such a question without notice.

ISSUE OF CARDS TO HAJ PILGRIMS, ETC.

166. THE HONOURABLE MR. HOSSAIN IMAM : Will Government give the following facts about Haj pilgrimage this year :—

(i) The number of persons to whom cards were issued for each date; (ii) number carried on the original and subsequent dates; (iii) the number left over?

THE HONOURABLE MR. RABINDRA NATH BANERJEE : None who arrived by the prescribed date was left over. Information regarding the other matters cannot be disclosed for security reasons.

THE HONOURABLE MR. HOSSAIN IMAM : Is it a fact that in the Assembly the number of pilgrims who embarked has been given ?

THE HONOURABLE MR. RABINDRA NATH BANERJEE : I do not think so.

THE HONOURABLE MR. HOSSAIN IMAM : Has the Honourable Member just now, in reply to my question No. 158, revealed the answer to part (iii) ?

THE HONOURABLE MR. RABINDRA NATH BANERJEE : I do not think so.

THE HONOURABLE MR. HOSSAIN IMAM : What was the number sixteen then?

THE HONOURABLE MR. RABINDRA NATH BANERJEE : Many more than those sixteen were left over.

DESTRUCTION OF FOODGRAINS IN THE PUNJAB

167. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state whether it is a fact (as stated in *Peoples War* of 9th July, 1944) that 6,50,000 tons of food-grain remained in the Punjab and got weevilled and rotten last year ? If not, what are the facts ?

THE HONOURABLE MR. B. R. SEN : The answer is in the negative.

THE HONOURABLE MR. HOSSAIN IMAM : The Honourable Member has not replied to the latter part of the question.

THE HONOURABLE MR. B. R. SEN : Last year the total export from the Punjab amounted to about 1,100,000 tons against the normal export of 875,000 tons. I, therefore, do not understand what loss is being referred to in the question.

THE HONOURABLE MR. HOSSAIN IMAM : Is it a fact that some of the food-grains got weevilled and rotten ?

THE HONOURABLE MR. B. R. SEN : It is possible that some of the foodgrains were weevilled, but that is a normal thing. We do not know of any particular losses incurred last year.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member give an idea as to the approximate quantity involved ?

THE HONOURABLE MR. B. R. SEN : I am not in a position to give an approximate figure.

FILLING UP OF GAZETTED POSTS IN THE FOOD DEPARTMENT

168. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state the gazetted posts created in the Department of Food and the number filled by Europeans, non-Muslims and Muslims ?

THE HONOURABLE MR. B. R. SEN : (a) A statement is placed on the table.

Statement

Number of gazetted posts in the Food Department.	248
Number held by Europeans	36
Number held by non-Muslims	134
Number held by Muslims	37
	207
Vacant	41
	Total
	248

SHORT NOTICE QUESTION AND ANSWER.

INTRODUCTION OF UNIVERSAL ADULT FRANCHISE IN TRINIDAD

169. THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : (a) Did the Secretary of State for the Colonies recently recommend the introduction of universal adult franchise in Trinidad without requiring a voter to know English ?

(b) Did the Trinidad Legislature recommend by a narrow majority that the voters should be required to know English ?

(c) Is it a fact that this recommendation if accepted will lead to the disfranchisement of a large number of Indians who are unable to understand English owing to the inadequate educational facilities provided for them and that the Indian community has forwarded a protest to the Secretary of State for Colonies through the Trinidad Government against the recommendation of the Trinidad Legislature ?

(d) Have non-Indian communities and labour and trade union organisations supported the Indian protest ?

(e) Have the Government of India received any representation on the subject from the Trinidad Indians ? If so, what action have they taken on it ?

THE HONOURABLE MR. RABINDRA NATH BANERJEE : (a) Yes.

(b) and (d) Government of India have received a telegram from the Indian Central Committee, Port of Spain, Trinidad, in which such statements have been made.

(c) Owing to the low percentage of literacy among Indians in Trinidad the retention of the English language qualification is likely to exclude many of them from the franchise. The local Indian community appear to have made a representation to the Secretary of State in this connection.

(e) The reply to the first part is in the affirmative. The Government of India have made suitable representations to His Majesty's Government.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: When did the Government come to be aware of the protest made by the Indian community of Trinidad against the decision of the Trinidad Legislature?

THE HONOURABLE MR. RABINDRA NATH BANERJEE: We had a telegram about a week ago.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Did Government have any information on that subject before that?

THE HONOURABLE MR. RABINDRA NATH BANERJEE: We had no information about the local Legislature having passed this resolution; but I believe the resolution was also passed quite recently.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is it a fact that the Government of India became aware of the situation in Trinidad more than a month ago?

THE HONOURABLE MR. RABINDRA NATH BANERJEE: To the best of my information that is not a fact.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Did the Indian community of Trinidad make a representation to the Government of India last month or not?

THE HONOURABLE THE PRESIDENT: The Honourable Member is repeating the same question which has been answered once. I disallow it.

STATEMENTS, ETC., LAID ON THE TABLE

THE HONOURABLE MR. H. C. PRIOR (Labour Secretary): Sir, I lay on the table a copy each of the Summary of Proceedings of the Fifth Labour Conference and the Fourth meeting of the Standing Labour Committee.

INDIAN PATENTS AND DESIGNS (TEMPORARY AMENDMENT) BILL, 1944

THE HONOURABLE SIR AKBAR HYDARI (Industries and Civil Supplies Secretary): Sir, I move—

"That the Bill temporarily to amend the Indian Patents and Designs Act, 1911, as passed by the Legislative Assembly, be taken into consideration."

The reasons for amending temporarily this Act are given in the Statement of Objects and Reasons, and, therefore, I do not need to explain them any further. Sir, I move.

Question put, and Motion adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR AKBAR HYDARI: Sir, I move—

"That the Bill temporarily to amend the Indian Patents and Designs Act, 1911, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

COFFEE MARKET EXPANSION (SECOND AMENDMENT) BILL, 1944

THE HONOURABLE SIR AKBAR HYDARI (Industries and Civil Supplies Secretary): Sir, I move—

"That the Bill further to amend the Coffee Market Expansion Act, 1942, as passed by the Legislative Assembly, be taken into consideration."

It will be observed, Sir, that the amendment seeks to give power to utilise funds for the purpose of coffee research. Sir, I Move.

Question put, and Motion adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR AKBAR HYDARI : Sir, I move—

“That the Bill further to amend the Coffee Market Expansion Act, 1942, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

DELHI JOINT WATER AND SEWAGE BOARD (AMENDMENT) BILL, 1944

THE HONOURABLE SIR JOGENDRA SINGH (Education, Health and Lands Member) : Sir, I move—

“That the Bill further to amend the Delhi Joint Water and Sewage Board Act, 1926, as passed by the Legislative Assembly, be taken into consideration.”

It would be observed from the Objects and Reasons that the Delhi Joint Water and Sewage Board could supply drinking water only to the four constituent bodies of—

the Delhi Municipality,
Delhi Civil Lines Notified Area,
Delhi Cantonment, and
New Delhi Municipal Committee.

• The Act requires the Board to make additional supply of water in bulk available to urban areas only. The term ‘urban area’ remains undefined, but it has been held applicable only to areas under the four bodies mentioned above. It has, therefore, become necessary to amend the Act, so that drinking water could be supplied to the new areas which become developed. Indeed water is already being supplied to the Fort Notified Area and some villages in the neighbourhood of Kilokri Sewage Farm. There would be more newly developed areas, and therefore the Act has been amended, so that the Central Government may by notification arrange for water being supplied to other bodies which do not come under the definition already given. Sir, I move.

THE HONOURABLE SAHDAR BAHADUR SIR SOBHA SINGH (Nominated Non-Official) : Sir, with your permission I would like to say a few words about it. This Joint Water Board has been doing very useful work for Delhi and New Delhi. There is one point to which I would like to draw the attention of the Honourable Member. Water supply has been given to certain villages where the sewage farm has spoiled the water-supply of those villages, and my request to the Honourable Member is that the cost of the free water supply should be debited to the Sewage Farm account rather than to the account of the Water Board. The difference, Sir, is this : the profit from the Sewage Farm is a separate item from the supply of filtered water supply, and I wish that whatever free water is given to the villages affected by the farm should be debited to the Sewage Farm account rather than to the account of the Board.

THE HONOURABLE SIR JOGENDRA SINGH : I will get the suggestion made by the Honourable Member examined.

Question put and Motion adopted.

Clauses 2, 3, 4, 5 and 6 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR JOGENDRA SINGH : Sir, I move—

“That the Bill further to amend the Delhi Joint Water and Sewage Board Act, 1926, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

PUBLIC DEBT (CENTRAL GOVERNMENT) BILL, 1944

THE HONOURABLE SIR CYRIL JONES (Finance Secretary) : Sir, I move—

“That the Bill to consolidate and amend the law relating to Government securities issued by the Central Government and to the management by the Reserve Bank of India of the public debt of the Central Government, as passed by the Legislative Assembly, be taken into consideration.”

Sir, this Bill is designed to consolidate and amend the law relating to securities of the Central Government. In the Statement of Objects and Reasons it is explained how historically, the law of Government securities in India started as an appendage to

[Sir Cyril Jones.]

the law of negotiable instruments and developed in a way appropriate almost exclusively to Government securities in the form of promissory notes. In that statement also will be found instances of the defects of the existing law arising out of this circumstance, and the great and growing inconvenience caused thereby to the investing public, to the Government, and to the Reserve Bank as the agent of Government in the management of the public debt, resulting from the growing popularity of Government securities, in forms other than promissory notes, and, in particular, in the form of stock certificates. The statement further mentions other defects and lacunae which twenty years' experience of the working of the Indian Securities Act has proved to be sources of annoyance to the holders of Government loans, the rectification of which is long overdue.

The Bill has now been before the country for a considerable time, having been circulated for eliciting public opinion as long ago as August, 1943. The large body of opinion received disclosed wide and general approval to the principles underlying the Bill on the part of the various Governments and public and semi-public institutions and bodies who were consulted. Such criticisms as were offered were mainly in respect of minor details which have been considered and, where justification was found, provided for by the Select Committee and by amendments in the other House. I need not trouble the House with these details, but I should perhaps refer to one criticism of substance which, because it arises out of the present constitution of the country, it has not been possible to meet. I refer to the apprehension which has been expressed that there should be two separate laws governing the securities of the Central Government and Provincial Governments respectively, whereas it is so obviously desirable from every point of view that uniformity of law should be maintained in respect of both Central and Provincial securities. This, I am afraid, is inherent in the constitutional position which gives power to the Central Legislature to legislate only in respect of Central Government securities. On behalf of the Central Government I can say that we hope and anticipate that Provincial Governments will recognise both the intrinsic merits of the present Bill, and the need for uniformity in the interests of the popularity of their own securities, and that they will promote their own legislation on the lines of the provisions of this Bill.

I will not detain the House by passing in review the various provisions of this measure. Considering the importance of its subject matter the Bill is a masterpiece of brevity, simplicity and clarity which calls for little explanation from me. I would like, however, with your permission, Sir, to refer briefly to the important principle contained in section 12 which gives the Reserve Bank the power, in cases of dispute as to title to a Government security, summarily to determine the persons who shall, for the purposes of the Bank, be deemed to be the persons entitled thereto. In the files of the Controller of the Currency and later of the Reserve Bank, there are records of hundreds of cases in the past in which on a vague stop notice or notice from the court securities have remained, so to say, in abeyance for a number of years, with the result that in many of these cases the persons rightfully entitled to the securities and the interest thereon have died, and it was only after their death that orders were received from the High Court or other courts determining to whom the securities rightfully belonged. In many cases this has wrought great hardship on comparatively poor investors in Government securities, and it is chiefly in the interests of the poorer investor that the Bank desires this power to be given to it. Among the many opinions received from the country on the Bill no exception whatsoever was taken to this main principle underlying the Bill. I should perhaps mention that this power given to the Bank is hedged round with a number of safeguards. Before the Bank proceeds to adjudication, it has to give notice in writing to each claimant giving all the relevant circumstances of the case, and the vesting order itself can only be made six months after the actual determination by the Bank when, again, notice has to be given in writing to each claimant of the result of the determination. This interval of six months is more than sufficient for any dissatisfied party to apply to a court of law for an injunction restraining the Bank from proceeding with the determination. In such a case it has been provided by section 20 that the Bank can apply to the court to have a security transferred to the Official Trustee pending the disposal of the proceedings before the court, so that it may be possible for the court

to direct the Official Trustee, to whom the interest periodically due on the security can be paid pending a final determination of the court; while the Bank for its part secures immunity from involvement in a mass of litigation in which it has no real interest. This arrangement, I suggest, is in the interests alike of the public, the Government and the Bank and represents a great improvement upon the present position under which any person for motives of his own can sterilize, as it were, for years together any security by filing an objection with the Bank and then simply refraining from taking the matter to court.

I trust that the House will agree that this is a useful and necessary measure and I commend it with confidence to the consideration of the House.

My Honourable friend, Mr. Sethna, who has done a considerable amount of work on this Bill over a period of nearly three years and who is fully acquainted with all the implications, legal and otherwise, of its clause, is, I am glad to say, available for the assistance of Honourable Members and will be glad to deal with any technical points which may arise in the course of the discussion.

Sir, I move.

THE HONOURABLE MR. HOSSAIN IMAM : (Bihar and Oriasa : Muhammadan) : On a point of information, Sir. Will the Honourable the Finance Secretary enlighten us as to whether this Bill includes sterling debts or excludes sterling debts ?

THE HONOURABLE SIR CYRIL JONES : I do not think the Government of India have issued loans in the United Kingdom. This refers to securities of the Central Government—of the Government of India—issued in India.

THE HONOURABLE SIR DAVID DEVADOSS : (Nominated Non-Official) : Sir, this certainly is a very welcome Bill. It is a vast improvement upon the Bill of 1920. I have given notice of certain amendments because I feel that in the case which I am going to mention relief is certainly needed—

THE HONOURABLE THE PRESIDENT : Are you now speaking on the amendments ?

THE HONOURABLE SIR DAVID DEVADOSS : I think I will generally speak on the Bill.

THE HONOURABLE THE PRESIDENT : I would suggest that you reserve your remarks on the amendments when we reach the second stage of the Bill when amendments will be disposed of. That is our usual practice.

THE HONOURABLE SIR DAVID DEVADOSS : I know, Sir. I will make my remarks with regard to each amendment when we reach it.

THE HONOURABLE MR. G. S. MOTILAL : (Bombay : Non-Muhammadan) : Sir, this is a Bill of a non-controversial character and it does constitute a distinct improvement on the present position of the law. But I have one difficulty to which I should like to refer for explanation from the official benches. Section 3 runs thus:—

“ Subject to the provisions of section 5, a transfer of a Government security shall be made only in the manner prescribed for the making of transfers of securities of the class to which it belongs, and no transfer of a Government security made after the commencement of this Act shall be valid if—

So far there is no difficulty. The difficulty comes only when we come to sub-clause (a) which says :—

“ it does not purport to convey the full title to the security.”

Now, Sir, when some securities are transferred to the trustees, what will be the position ? I should like to know whether Government loans will or will not be transferable to a trustee or trustees on the plea that full title is not conveyed to him or them. A trustee is a nominal holder for the benefit of others. I should like to be assured that this section will not come in the way of the Reserve Bank accepting or recognising transfers of securities to trustees.

THE HONOURABLE SARDAR BAHADUR SIR SOBHA SINGH (Nominated Non-Official) : Sir, under clauses 12 and 20 taken together, the time given to the bank is six months to determine who shall be the legitimate owner of that security and there is another six months for appeal. I personally feel that six months for appeal is too long a period. It means that a legitimate owner cannot get his securities back in less than one year or twelve months, one has got cousins and relations—because the appeal time is six months. I personally feel that if the appeal time is reduced to one month, it will be quite sufficient.

*THE HONOURABLE MR. HOSSAIN IMAM : (Bihar and Orissa : Muhammadan) : Sir, the point which was raised by Raja Govindlal is one in which I am also interested. There are Wakfs in which there is no transfer to the Mutawali or the person who holds the trust for the time being of any benefit of the security. Nevertheless, he is for the time being an absolute owner. What will happen in this case? Secondly, Sir, I should like to have elucidation of the legal point, whether the right of oral transfer which is the special privilege of the Mussalmans is affected by this legislation or not.

THE HONOURABLE MR. D. P. SETHNA (Nominated Official) : Sir, the Bill before this House owes its inception and inspiration to Sir James Taylor, the late Governor of the Reserve Bank, whose lamentable death was a grievous loss to the public service of this country. Both as the Controller of the Currency and later as the Governor of the Reserve Bank, Sir James had unrivalled knowledge of this subject. If I may be permitted, Sir, to make, with your permission, a brief personal reference, it was in February, 1942 when I was appointed Special Officer to report on the Bill which in its final form is now before this House that I saw Sir James Taylor and Mr. Deshmukh, as he then was, in the Central Section in Calcutta. I had long discussions with both of them and was given an insight into the working of the central legislation. I saw that over a thousand notes came daily for renewal in that section. After the Central Section came to Bombay I worked for several weeks in the Reserve Bank office in Bombay and before I made my report I had various discussions with Sir James Taylor and was struck with his vast knowledge of this branch of the subject. It is therefore a matter of profound regret to me—and I am sure it must be to the members of this House—that Sir James Taylor is not with us here today to see the passing of a measure which was so near to his heart and to which he had contributed so much.

As to the points which have been made by some of the previous speakers, I do not know, Sir, whether you wish me to speak on the amendments at present—

THE HONOURABLE THE PRESIDENT : Do not speak on the amendments now. You can do so when the time comes.

THE HONOURABLE MR. D. P. SETHNA : As to the Honourable Mr. Motilal's point as regards clause 3, if the Honourable Member will see clause 6 it has been very clearly provided that no notice of any trust in respect of any Government security shall be receivable by the Central Government, nor shall the Central Government be bound by any such notice even though expressly given nor shall the Central Government be regarded as a trustee in respect of any Government security. That was so, Sir, in the present Act, which is the law of the land. But in sub-clause (2) of the Bill there is a concession, which was not in the previous Act, to this effect :—

“Without prejudice to the provisions of sub-section (1), the Bank may, as an act of grace and without any liability to the Bank or to the Central Government, record in its books such directions by the holder of stock for the payment of interest on, or of the maturity value of, or the transfer of, or such other matters relating to, the stock as the Bank thinks fit.”

There is nothing to prevent trustees from giving notice to the Reserve Bank. The Reserve Bank will not consider them as trustees, but will carry out their directions in the sense that if it is mentioned to the Bank that the securities should be held in the name of X, Y and Z, the securities will be held in the names of X, Y and Z and if directions are given that X alone will deal with them or Y alone will deal with them, those directions will be carried out. But the Bank for obvious reasons cannot undertake to go into the question of trust, as to whether any particular trustee has the right to give directions or not. Honourable Members will see that this militates strongly against the negotiability of Government Promissory Notes. If a purchaser were to be saddled with any notice of trust, then nobody would purchase Government securities, because he may be involved in litigation concerning that security. The Honourable Member stated that a transfer by a Trustee should be recognised even if it does not purport to convey the full title to the security, because the trustees do not have any beneficial interest in the security. That does not prevent

the securities from being transferred to the trustee. Whether the trustee has got a trustee interest or a beneficial interest also is not a matter which the Reserve Bank can obviously go into.

As regards Sir Sobha Singh's point, I am afraid the Honourable gentleman is in error. What section 12 provides is that the Bank will not make a vesting order until after the expiry of six months from the determination made by Bank as to who was entitled to a security. There is no period of appeal and the Honourable gentleman is not correct in stating that a period of one year is really provided. The period provided between the determination by the Bank and the actual making of the vesting order is six months and not one year. Within that six months it would be open to the dissatisfied party to go to the court and file a suit and obtain any order which he may think he would be entitled to.

THE HONOURABLE SAHDAR BAHADUR SIR SOBHA SINGH : My idea was that a period of six months was too long for appeal.

THE HONOURABLE Mr. D. P. SETHNA : Litigation in this country goes on for many many years, and if a man is in a village, you cannot expect him to go immediately to the court. The period of six months is in my opinion a reasonable period.

As to the Honourable Mr. Hossain Imam's point about oral Wakfs not being recognised, that also is not a point into which the Reserve Bank or the Government can go. The Wakf may be perfectly valid so far as the Muslim law is concerned. But, as I pointed out, under section 6 notice of trust is not receivable by the Government, but the Government as an act of grace would record in its books whatever directions the owners of the securities would like to give.

Sir, I support the Motion.

THE HONOURABLE THE PRESIDENT : Motion moved :—

"That the Bill to consolidate and amend the law relating to Government securities issued by the Central Government and to the management by the Reserve Bank of India
12 NOON. of the public debt of the Central Government, as passed by the Legislative Assembly, be taken into consideration."

The Motion was adopted.

Clauses 2 to 4 were added to the Bill.

THE HONOURABLE THE PRESIDENT : Clause 5. The Honourable Member Sir David Devadoss has given notice of an amendment to this clause. I entertain some doubt about the propriety of this amendment. I would like the Honourable Member to enlighten me on the point. The amendment refers to "office other than a public office." The clause refers only to holders of public offices. How does the Honourable Member think that his amendment is an appropriate amendment to this clause ?

1. That in clause 5, after sub-clause (4) the following sub-clause be inserted, namely :—

"(5) When a Government security is held by a person by virtue of his office other than a public office it shall be deemed to be transferred to his successor in such office without any or further endorsement or transfer deed from the date when the latter takes charge of the office."

THE HONOURABLE SIR DAVID DEVADOSS (Nominated Non-Official) : Sir, I move. Technically it may be an amendment, but it is an addition to clause 5. Under clause 5 as it stands, if the holder of a public office is in possession of or is entitled to hold Government securities, the moment he resigns his office or is removed and somebody else is appointed in his place, the right to those securities will devolve on the successor. But, Sir, there are a number of associations and societies which hold Government promissory notes or Government securities in the name of the honorary treasurer or of the honorary secretary. Now, if the honorary treasurer or the honorary secretary resigns his office or dies or is removed, who is to be in his stead ? To whose name are the notes or securities to be transferred ? The question now is important in this way. In 1942, after the trouble in Madras when there was an apprehended air raid—

THE HONOURABLE THE PRESIDENT : I see the justice of the remarks of the Honourable Member, but I want to know how the amendment is appropriate in clause 5.

THE HONOURABLE SIR DAVID DEVADOSS : It is an addition to the clause. You may call it an amendment, but it really is an addition to the existing clause. When I wanted to speak on the first reading, you said that I could reserve my remarks

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for the amendment. Therefore I want to say what I have to say on this amendment. It need not be an amendment. It may be added to the Bill. You can add it as a separate clause. Therefore it does not militate against the principle of the clause. No doubt an amendment cannot be moved which militates against the principle of the original clause. In the case of public offices this Bill provides that the devolution will be natural as soon as the successor is appointed. But there is no provision on similar lines in the case of private offices. As I said, there are a number of societies and associations which have officers, and I suggest that the devolution in their case also should take place naturally as in the case of public officers. This should happen when there is no dispute. When there is a dispute, it is another matter. Somebody else may come and say "I am the honorary secretary", or "I am the honorary treasurer." Those cases are different. But where there is no such dispute, there ought to be a natural devolution.

In the case of ordinary securities there will not be much difficulty, but as I was saying, in 1942, after the apprehended raid on Madras, the banks asked the holders of Government promissory notes to have them converted into stock. Now, in the case of stock, it is registered in the books of the Reserve Bank. It would be very difficult for the successor to ask the Bank to transfer it to his name. For instance, there are a number of private Lodges in Madras—literary, religious and other associations. You will pardon a personal reference. I am the Honorary Treasurer of what is known as the Central Church Council which administers the affairs of the Anglican Church throughout the Presidency except Travancore, Tinnevely and Madura. I am in possession of securities of considerable value. The securities have been purchased by me in the name of the Bishop and myself as Honorary Treasurer. Now, in the case of the Bishop there will be no difficulty, because he is what is known as a corporation sole. But, so far as I am concerned, suppose I resign my office, or I happen to die, or I am removed, what is to become of these securities? The Imperial Bank, with whom the securities are kept for safe custody, asked me whether I would consent to have these securities converted to stock on account of the war, because most of these securities were transferred from Madras to a safe place, like Bangalore. A number of other firms and banks also did the same thing. I said "yes", for the sake of security. Suppose I resign my office, what is to become of these securities? Therefore, I say that where there is no dispute there should be a natural devolution in the case of holders of private offices as in the case of holders of public offices. For instance, suppose on my resignation as Honorary Treasurer of the Central Church Council, X is appointed in my place; I say he ought to be entitled to the possession of the Government securities and the interest should be paid to him. If there is going to be no difficulty in the case of public offices, I say in the case of private offices also the same rule should apply.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is the Central Church Council registered?

THE HONOURABLE SIR DAVID DEVADOSS: No. If it is registered, the securities will be held by the registered association.

Now, the question may be asked, what if there is a dispute? I say it should be done in cases where there is no dispute. Take, for instance, a private Lodge. The lodge owns Government securities in the name of the honorary secretary or honorary treasurer. He resigns or is removed, and X or Y takes his place. How are the securities to be transferred to his successor? At present, as the law stands, the successor will be entitled to deal with securities, but if the securities are turned into stock, then the stock is registered in the office of the Reserve Bank—

THE HONOURABLE THE PRESIDENT: I agree that what the Honourable Member says is sound argument. But I would like to know whether that cannot be done by a private Bill. There is nothing to prevent the Honourable Member bringing in a private Bill.

THE HONOURABLE SIR DAVID DEVADOSS: Yes, but if it can be done here, it will save so much time.

THE HONOURABLE THE PRESIDENT: I would like to hear the Government Member, because I am very doubtful about the propriety of the amendment at this stage, and I think it is not in order.

THE HONOURABLE MR. D. P. SETHNA (Nominated Official): Sir, on the merits of the amendment, I would point out to the Honourable Member that there is clause 2S, sub-clause (2) (e), in which it is expressly stated that Government will make rules for "the holding of Government securities in the form of stock by the holders of offices other than public offices, and the manner in which and the conditions subject to which Government securities so held may be transferred". The Honourable Gentleman is under a misapprehension when he states that no provision has been made in this Bill as to the point which he has raised. Surely it is for the Lodge or the Institution or the Church Council which has the stock to give instructions to the Reserve Bank at the time when it purchases the stock, and those instructions would be carried out by the Reserve Bank. How can the Government or the Reserve Bank go into any question as to whether a treasurer has been removed or whether he still exists there? And in case another treasurer signs the notes and the previous man says that he has no right to sign the notes, is Government to be dragged into that?

The Amendment was negatived.

Clause 5 was added to the Bill.

Clause 6 was added to the Bill.

THE HONOURABLE THE PRESIDENT: Clause 7.

THE HONOURABLE SIR DAVID DEVADOSS: Sir, I move—

"That in clause 7 after the words "as having any title to the Government security" the following be inserted, namely:—

"The provisions of clause 16 will not apply to orders of recognition."

I do not say anything at all about the clause: it is a very satisfactory clause, but clause 16 says: "Before making any order which it is empowered to make under this Act, the Bank may require the person in whose favour the order is to be made execute a bond with one or more sureties, etc., etc." Section 7 says: "the executors or administrators of a deceased sole holder of a Government security and the holder of a succession certificate issued under Part X of the Indian Succession Act, 1925... shall be the only persons who may be recognised by the Bank..." Now this word 'recognised' is rather dubious. Recognition must be by an order. Suppose I am the probate holder of a will: if my title as probate holder is recognised it means that an order is made. There is no doubt about that. But some wisacre in the Bank may say, 'Very well, you give security under this Section'. It is not quite clear. As you know, in the case of probate holders no security is needed; in letters of administration cases the Court which grants the letters takes ample security, so that to require these persons again to give security would be not only illegal, but will cause great hardship. Now, I had a talk with the Honourable Mr. Sethna: he thinks that will not be done, but we do not know. The Bank clerk may put up a note that security is required. In the case of big estates the executor may be able to put matters right, but in the case of small people, there is no way of getting out of the difficulty. Therefore, what I say is that these words may be added. The provisions of clause 16 will not apply to orders of recognition. Therefore, in the case of administrators and executors, no security should be demanded, and this must be made clear: otherwise there will be considerable trouble in the case of small holders. Therefore, I recommend that this amendment be accepted.

THE HONOURABLE MR. D. P. SETHNA: I may say that my Honourable friend is not correct in saying that I told him the other day that the Bank would not ask for security. The Bank would not ask for security in cases like the one referred to by him for the simple reason that section 16 which deals with the power of the Bank to require bonds, is only referable to the previous sections which deal with the power of the Bank summarily to determine disputes where there are two disputants to a Government security. The word 'recognise' does not imply that there will be an order following that recognition. Honourable Members are aware that when a succession certificate, or probate or letters of administrations are obtained, the same have to be registered with companies as well as with the Reserve Bank in the case of Government securities. By registering the probate or the letters of administration or succession certificate the Reserve Bank recognises the title of the person who produces the probate, letters of administration or the succession certificate, to deal with the

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securities. There is no vesting order or any order provided under section 7, and the Bank cannot in that connection ask for any indemnity or security. That is the short answer to my friend.

The Amendment was negatived.

Clause 7 was added to the Bill.

Clauses 8, 9, 10, 11, 12, 13 and 14 were added to the Bill.

Clauses 15 to 27 were added to the Bill.

THE HONOURABLE SIR DAVID DEVADOSS: I have given notice of an amendment to clause 28. Clause (e) of 28. I wish to move—

“ That in sub-clause (e) of clause 28 after the words “so held” in the last line, the words “ may devolve on his successor to that office or ” be inserted.”

Clause (e) simply says—

“ the holding of Government securities in the form of stock by the holders of offices other than public offices, and the manner in which and the conditions subject to which Government securities so held may be transferred.”

It is only a question of transfer. My submission is that in the case of persons succeeding to an office, why should there be a transfer. Transfer may mean a number of things, probably stamp may be required, and the document will have to be taken and so on. I would therefore suggest that these words be added, viz., “ may devolve on his successor to that office or,” be inserted. As I said—I repeat my argument—suppose a man who is the holder of an office, who is an Honorary Secretary of an institution resigns, and somebody else is appointed, there is no dispute. I have always had that fear—where there are no disputes, where the matter takes place in the ordinary course, why should there be any difficulty? In the case of societies and associations which hold Government securities devolution must take place as a matter of course. As a matter of fact the difficulty arises on account of these securities having been transferred into stock on account of war conditions. But there was no compulsion. Every one was asked whether he had any objection. I therefore submit that the above words may be inserted in the rules which are going to be framed.

THE HONOURABLE MR. D. P. SETHNA: The question raised by my Honourable friend is answered by referring to sections 5 and 6. It has been provided in sub-section (2) of section (5) that when a Government security is so held, it shall be deemed to be transferred without any further endorsement or transfer deed from each holder of the office to the succeeding holder of the office on and from the date on which the latter takes charge of the office.” The House will see, Sir, that the word used here is also ‘ transferred ’. Sir David Devadoss wants to have added “ may devolve on his successor to that office or”. Here there is no question of devolution at all. Instead of securities being held in the names of A and B, they are transferred to the names of B and C. There is no stamp required. All that is required is a direction to the Bank that the securities from now on will be held not in the names of A and B, but in the names of C and D.

The Amendment was negatived.

Clause 28 was added to the Bill.

Clause 29 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE SIR CYRIL JONES: Sir, I move :

“ That the Bill, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

The Council then adjourned till Eleven of the Clock on Tuesday, the 21st November, 1944.