

Thursday, 7th November, 1946

# COUNCIL OF STATE DEBATES

(OFFICIAL REPORT)

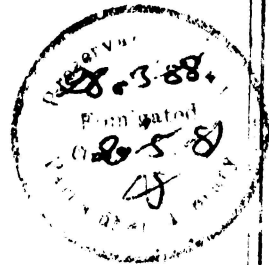
VOLUME II, 1946

*(7th November to 12th November, 1946)*

## TWENTIETH SESSION

OF THE

# FOURTH COUNCIL OF STATE, 1946



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COUNCIL OF STATE

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THE HON. SIB MANOJIT DADABHOY, K.C.S.I., K.C.I.E., LL.D., B.A.B.-AT-LAW.

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THE HON. MR. V. V. KALIKAR.

THE HON. SAIFAD MOHAMED PADSHAH SAHIB BAHADUR.

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*Committee on Petitions :*

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THE HON. PANDIT HIRDAY NATH KUNZRU.

THE HON. SIB RAMUNNI MENON.

THE HON. HAJI SYED MUHAMMAD HUSEAIN.

THE HON. MR. CHIDAMBARAM CHETTIYAR.

} *Members.*

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**THE**  
**COUNCIL OF STATE DEBATES**

**OFFICIAL REPORT OF THE TWENTIETH SESSION OF THE FOURTH  
COUNCIL OF STATE**

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**VOLUME II—1946**

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**COUNCIL OF STATE**

*Thursday, 7th November, 1946*

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The Council met in the Council Chamber of the Council House at New Delhi at Eleven of the Clock, being the First Day of the Twentieth Session of the Fourth Council of State, pursuant to section 63D(2) of the Government of India Act, 1935. The Honourable the President (the Honourable Sir Maneckji Byram Dadabhoy, K.C.S.I., K.C.I.E., LL.D., Bar.-at-Law), was in the Chair.

**MEMBERS SWORN :**

- The Honourable Mr. Ghazanfar Ali Khan (Health Member).  
The Honourable Sardar Baldev Singh (Defence Member).  
The Honourable Mr. Goverji Hormasji Bhabha (Works, Mines and Power Member).  
The Honourable Mrs. Radha Bai Subbarayan (Madras : Non-Muhammadan).  
The Honourable Sir Cyril Edgar Jones (Finance Secretary).  
The Honourable Mr. Maurice William Murray Yeatts (Industries and Supplies Secretary).  
The Honourable Mr. Douglas Duinty Warren (Transport and Railways Secretary).  
The Honourable Mr. Ammembal Vittal Pai (Commonwealth Relations Secretary).  
The Honourable Dr. Dharendra Mohan Sen (Education Secretary).  
The Honourable Mr. Leonard John Dean Wakely (Nominated Official).

**QUESTIONS AND ANSWERS**

**PRESSION OF CIRCULAR LETTERS ISSUED BY INDIAN ASSOCIATIONS IN BRITAIN**

1. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Have Government taken steps to enquire as to why circular letters issued by Indian Associations in Great Britain from Swaraj House, and elsewhere, at the time of the San Francisco Conference, were suppressed and not allowed to be delivered to the addressees? Will Government, after inquiry, state the reasons for this?

**THE HONOURABLE MR. A. E. PORTER :** The Government of India was in no way responsible for or concerned with any action referred to.

**THE HONOURABLE MR. M. THIRUMALA ROW :** Is there any rule preventing the Government of India from making inquiries about it?

(No answer.)



**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Have Government made any inquiry about it ?

**THE HONOURABLE MR. A. E. PORTER :** Yes, Sir.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** What was the result of that inquiry ?

**THE HONOURABLE MR. A. E. PORTER :** A question on the same point was raised in the House of Commons in May, 1946 and I would refer the Honourable Member to the *Hansard* of that date in which the answer given by Mr. Ede is reported.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Did the Honourable Member make inquiries if adequate information was available in *Hansard* ?

**THE HONOURABLE MR. A. E. PORTER :** The inquiries elicited the reference to *Hansard*.

**THE HONOURABLE MR. M. THIRUMALA ROW :** Is the *Hansard* available in the Library of the House ? Are we to write to the House of Commons and get it ? I want the Member to answer my question.

**THE HONOURABLE THE PRESIDENT :** I do not think that question arises.

**THE HONOURABLE MR. M. THIRUMALA ROW :** When he refers to a book which is not available in India or in the Library—

**THE HONOURABLE THE PRESIDENT :** He has full right to refer to anything. This is not a part of the Parliament of England because we are working under a different constitution.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Could the Honourable Member be so courteous as to read out the reply ?

**THE HONOURABLE MR. A. E. PORTER :** I will certainly read out the reply if you wish, Sir.

“Mr. Haydn Davies asked the Secretary of State for the Home Department why letters posted in London on 14th April, 1945, by the Federation of Indian Associations in Great Britain and addressed to the delegates attending the World Security Conference at San Francisco, were held by the British censor until January, 1946, then released, delivered in the U. S. A., and are now, 12 months later, being returned to the senders in London marked ‘Moved, No Address,’ from a conference which ended on 25th June, 1945.

Mr. Ede : I am unable positively to identify the particular correspondence referred to by my Honourable friend, but it may be assumed that the letters were held in the British censorship because their onward transmission at the time was considered contrary to the war interests of the United Nations, and that their release to the addressees was in accordance with the general decision reached when the question of the disposition of mail so detained was considered after the close of hostilities”.

#### IMPORTS OF MACHINERY

2. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Has the attention of Government been drawn to the following statement made by Sir Firoz Khan Noon, in the Muslim League Convention in Delhi on the 9th April, 1946 (*vide the Statesman*, dated the 10th April, 1946) :—

“Things are so manipulated today that machinery are not allowed to go into Pakistan. As a former Member of the Government of India, I know that machinery worth crores of rupees has been imported into India during the war but not one bit has been allowed to go into Pakistan” ?

(b) Will Government make a statement on the above ?

**THE HONOURABLE MR. M. W. M. YEATTS :** (a) Yes.

(b) The statement is not correct.

**THE HONOURABLE SIR GOPALASWAMI AYYANGA R:** Will the Honourable Member enlighten us as to what he understands by Pakistan in this question? He has said "Yes" to the first part.

**THE HONOURABLE MR. M. W. M. YEATTS:** If the question had gone further I would have answered that I had not myself an exact definition, but had given my impression in the light of my estimate.

**THE HONOURABLE MR. S. K. ROY CHOWDHURY:** Is there any place in India called Pakistan?

(No answer.)

**LIGHTING ARRANGEMENTS AT MUTTRA JUNCTION, ETC.**

**3. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH:** (a) Are Government aware—

(i) that there is no proper lighting arrangement at night at Muttra Junction and Cantonment stations (G.I.P.R.);

(ii) that Muttra is an important place of Hindu pilgrimage and thousands of persons visit Muttra daily and they are put to very great inconvenience and exposed to risks in the night in the absence of adequate lighting arrangements; and

(iii) that there are electric lights supplied to Military canteens at the same station?

(b) Do Government propose to improve the lighting arrangements by providing electric installation or taking other suitable steps in this direction?

**THE HONOURABLE MR. D. D. WARREN:** (a) (i), (ii) & (iii) & (b). High power kerosene torpedo lamps are provided at Muttra Junction and Cantonment stations and instructions have been issued that similar lamps should be provided within the railway boundary, on the road to the third class waiting hall.

Government are aware that Muttra is an important place of Hindu pilgrimage and that there is electric lighting at military canteens at Muttra Junction station. In order to provide a better system of lighting arrangements, a proposal was made in 1940-41 for the electrification of this station but it had to be postponed owing to the difficulty in obtaining electrical materials. As regards Muttra Cantonment station an electrification scheme was considered in 1938-39 but was given up as it could not be justified financially.

The electrification of these stations forms a part of the remodelling schemes which have been provided in the post-war Reconstruction and Rehabilitation Programme of the B.B. & C.I. and G.I.P. Railways in 1948-49 and 1949-50. In order, however, to expedite matters, the question of obtaining current from the Muttra Electric Supply Company for electric lighting in advance of the remodelling scheme is at present under active investigation.

**DISTRIBUTION OF THE ASSETS OF THE LEAGUE OF NATIONS**

**4. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH:** (a) Will Government state whether India, an original member of the League of Nations, has been given a chance to participate in the distribution of the League's assets on its liquidation?

(b) How much of the assets has been assigned to her?

(c) Did Government make any representation to the proper authorities on the subject? If not, why not?

**THE HONOURABLE MR. A. V. PAI:** (a) Yes. These assets will be transferred to the U.N.O. and credits given to all members who, at the time of the dissolution of the League, were also members of the League.

(b) As arrears of contributions continue to be received and liabilities to be settled throughout the whole of 1946 it is impossible at present to work out the share of each Member State in the assets of the League of Nations.

(c) Yes.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** With reference to (b), what are the principles on which the shares are being worked out ?

**THE HONOURABLE MR. A. V. PAI :** The shares are worked out in proportion to the total amount of contributions paid by each State Member during the whole period of the League's life.

#### RAMAPADASAGAR RESERVOIR PROJECT

**5. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Will Government make a statement giving the main details of the proposed Ramapadasagar reservoir project on the Godavari, at an estimated cost of about Rs. 60 crores ?

(b) What assistance is Government willing to give towards the realisation of the scheme, what is the approximate area of land which is likely to benefit and the additional quantity of rice or other crops which are likely to be produced ?

**THE HONOURABLE MR. C. H. BHABHA :** (a) The Ramapadasagar reservoir project on the Godavari is in charge of the Government of Madras. From information available to the Government of India, it appears that the project involves construction of a dam over a mile long and 393 ft. high with a total waterspread of 483 square miles and effective storage capacity of 5,20,000 million cubic feet of water. It is estimated to cost about Rs. 66 crores and may take 12 years for completion. The area likely to benefit is 23½ lakhs of acres which will yield approximately one million tons of rice extra. The net additional revenue is estimated to be Rs. 2,35 crores per annum which will accrue to the Provincial Government. The amount of electrical energy produced will be of the order of 75,000 E.V.A., or so.

(b) The Government of India informed the Government of Madras on 28th February, 1946 that, provided the scheme is duly approved with the concurrence of all interested, they will advance all such loans as may be required by the Government of Madras for this scheme. If it is found that the scheme will not be fully self-financing, the Government of India will also be prepared to provide a substantial contribution towards the portion of the capital cost which is not met from loan money. Any such contribution will, however, be taken into account when the aggregate share of Madras in Central grants for post-war development in general is settled.

The scheme has not yet been finalised and the question of assistance which the Government of India may be willing to give towards the realisation of the scheme is still under consideration.

#### ALLOCATION OF GERMAN MERCHANT SHIPPING AS REPARATIONS

**6. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) With reference to my question in the last session are Government aware that the Inter Allied Reparation Agency announced about the 23rd April last that India will receive 24 per cent. of the German merchant tonnage, which was being handed over to Britain and the United States for distribution among 15 allied countries ?

(b) Will Government make a definite statement now, explaining the main details of the tonnage and ships and their aggregate value which India has received, or is likely to receive ?

**THE HONOURABLE MR. Y. N. SUKTHANKAR :** (a) Yes. The share of German shipping allotted to India is however 0.24 per cent and not 24 per cent. as stated by the Honourable Member.

(b) On the basis of the share of 0.4 per cent of German shipping allotted to India was held to be entitled to 1,845 tons of shipping only, and the "Marie Leonhardt", a cargo vessel built in 1922 of 2594 G.R.T. was ultimately allocated to India. In view of the inadequacy of the tonnage allotted to India and the unsuitability for Indian waters of the ship actually offered, the Government of India rejected the offer. The Honourable Member's attention is invited to a press communique issued on the 27th July last in which the position has been explained more fully. A copy of the communique has been laid on the table of the House.

**THE HONOURABLE PANDIT HIRDAY [NATH KUNZRU :** How will India receive her share of the tonnage ?

**THE HONOURABLE MR. Y. N. SUKTHANKAR :** We propose to take it in the shape of ship building machinery but the matter is still under consideration.

*Press Communiqué, dated 27th July 1946*

**INDIA'S SHARE OF GERMAN MERCHANT SHIPPING CLAIM FOR ALTERNATIVE CAPITAL GOODS EXPLAINED**

There seems to be a good deal of misunderstanding about the actual position of India regarding the allocation of German merchant shipping to Allied countries by way of reparations. In terms of the Paris Agreement on German Reparations each Government is entitled to receive a share of German merchant shipping in proportion to its over-all losses of merchant shipping on a gross tonnage basis. After taking into account the shipping losses of claimant countries, the Assembly of the Inter-Allied Reparations Agency decided that India's share should be 0.24% of the total available German shipping of 769,125 gross registered tonnage. The Government of India instructed their representative to emphasise that the proportion which the total shipping loss suffered by any country bore to its total tonnage should also be taken into account and to press for a minimum allocation of 15,000 tons G.R.T. or 2% of its losses, whichever is higher to each country with a share of less than 3%. India's representative on the Agency also made a bid for some of the ships available which were considered suitable for Indian waters.

The Inter-Allied Reparations Agency however could not see its way to accept India's proposal and the "Marie Leonhardt," a cargo vessel built in 1922 of 2594 G.R.T., was ultimately allocated to India. In view of the inadequacy of tonnage allotted to India and also of the unsuitability of the ship actually offered for Indian waters, the Government of India decided to reject the offer and did not choose to avail themselves either of the offer made by H.M.G. to exchange the "Marie Leonhardt" with one of the ships allotted to them, or to resort to arbitration which was not likely to secure any of the ships which India had asked for. The Government of India therefore have decided to claim alternative capital goods, preferably ship building machinery instead.

**DOCUMENTS RELATING TO CONGRESS LEADERS, ETC.**

**7. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Is it a fact that under instructions from the Central Government the Provincial Governments, before the advent of Provincial Ministries, collected all secret and confidential documents, relating to congress leaders and political prisoners, and sent them up to the Government of India's Intelligence Branch for safe custody, in charge of a liaison officer of the Defence Department which will be outside the reach of the National Government ?

(b) If, so, will Government make these documents available to the Members of the Central Legislature or some other suitable authority in order to verify the authenticity and correctness of the materials ? If not, why not ?

**THE HONOURABLE MR. A. E. PORTER :** (a) No.

(b) Does not arise.

**ALLOCATION OF SHIPS OF THE ITALIAN NAVY**

**8. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Will Government state if any portion of the Italian Naval forces has been allotted to India in lieu of the splendid help which she gave to the Allied armies in the defeat of Italy ? Did Government press for the recognition of India's claim in this respect? If not, why not ?

**THE HONOURABLE SAHDAR BALDEV SINGH :** No, Sir. No Italian ships were claimed because the ships of the Italian Navy are not suitable for India.

**FILM GANGA DIN**

**9. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Have Government made any enquiry into the report that a film called *Ganga Din* in which Indians were depicted as treacherous was to be released in a show room in Greece : and that the Greeks as soon as they came to know of it, declared a boycott of the picture, but the picture was shown to British fighting men in Greece, under Military guard ?

(b) Is it a fact that at this show ten Indian soldiers who made a violent protest, were hauled up and court martialled and sentenced to death, but later on the sentences of death were commuted to transportation for life ?

(c) Will Government make a statement relating to (a) and (b) above giving an account of the incident and the names and addresses of the Indian soldiers and their present whereabouts ? If they are still in prison, what steps have Government taken or propose to take for their release ?

**THE HONOURABLE SARDAR BELDEV SINGH :** (a) Government are aware that the film *Ganga Din*, which is an American film produced some years before the war, was advertised for future exhibition at the Attikon Cinema in Greece, where it was booked commercially by the Greek proprietor. The British military authorities had nothing to do with booking it, nor any power to prevent its being booked and there is no evidence that it was ever shown to British troops either there or elsewhere. Government have no knowledge of any boycott by the Greek public but it is presumed that it was withdrawn by the Greek proprietor after the incident on June 1st 1945. Government are not aware whether this was as a result of representations by the British military authorities.

(b) & (c). The following is a statement of the incident to which the Honourable Member presumably refers :

Sepoy Jogindar Singh and five other sepoys of the 7th Ind. Inf. Bde. Tpt. Coy., RIASC had taken exception to the fact that the Attikon Cinema, Kavalla, in Greece had advertised the film *Ganga Din*, which they considered a ' bad ' film.

On the evening of 1st June, 1945 they proceeded from their lines to the Cinema where Marie Walewska, a film about Napoleon, which had nothing to do with the war or with India, was being shown. These men, armed with Tommy guns and rifles entered the hall where approximately 50 people were present and opened fire indiscriminately. As a result of the firing L/Cpl. Curtis, C.M.P., who was on duty in the hall, was fatally wounded by two bullets in the back of the thigh. There was no dispute between L/Cpl. Curtis and the sepoys and he neither fired at them nor had he any opportunity to fire.

The usual military police posted at all cinemas were present but no additional guards had been mounted.

The six prisoners were convicted on a joint charge of murder and were each sentenced to transportation for life.

The case was recently reviewed by the G.H.Q. Review Board but no remission of sentences was recommended. The case will in due course be reviewed again after the 1st January, 1947. Meanwhile I have called for the papers and will examine the case.

The names of the six prisoners are :

- (1) No. Mtn 895782 sepoy (L Nk) Abdul Latif Khan.
- (2) 764627 „ Abdul Razak.
- (3) 919440 „ Arjan Singh.
- (4) 993200 Gurdial Singh.
- (5) 115431 (electrician) Jogindar Singh.
- (6) 962559 „ Hari Singh.

All the six prisoners disembarked at Karachi on the 6th January, 1946, and were committed to the Karachi Civil Jail. Nos. (1), (3), (4) and (5) have been transferred to Lahore Central Jail. No. (2) has been transferred to Rawalpindi Civil Jail and No. (6) to Multan Civil Jail.

#### ACQUISITION OF VILLAGES IN BENARES

10. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Is it a fact that the War Department of the Government of India have decided to acquire permanently 22 villages in Benares ? If so, for what purpose ?

(b) Have Government received any representation against this proposal? If so, do they propose to abandon the scheme?

THE HONOURABLE SARDAR BALDEV SINGH: (a) No, Sir.

(b) Government have received representations but as they have no intention of acquiring the 22 villages in Benares, the question of taking any steps does not arise.

LEND-LEASE AGREEMENT WITH U.S.A.

11. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: (a) Will Government make a statement relating to the main details of the Lend Lease settlement arrived at between India and the U. S. representatives recently, indicating the ways and means for implementing this settlement?

(b) Will the question of settlement be placed before the Central Legislature for ratification? If not, why not?

THE HONOURABLE SIR CYRIL JONES: (a) I would refer the Honourable Member to the Press Communique issued by the Industries and Supplies Department on the subject on the 31st May, 1946. Necessary instructions have been issued by the Departments concerned in regard to the implementation of the provisions of the Agreement.

(b) The Agreement constitutes a final settlement and the question of ratification does not, therefore, arise.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA: What is the date of the Communique?

THE HONOURABLE SIR CYRIL JONES: The date of the Communique is the 31st of May, 1946.

SMUGGLING OF YARN CONSIGNMENTS IN THE LUCKNOW [DIVISION, E.I.R.

12. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: (a) Is it a fact that the Divisional Superintendent, Lucknow Division, East Indian Railway, issued a confidential circular, on or about the 28th August, 1946, to the Station authorities virtually admitting that yarn consignments are smuggled and booked under false descriptions, against inter-provincial embargo, but indirectly asking the Railway employees not to be interested in the detection of such cases of smuggling?

(b) Is it also a fact that the following directions have been given by the Divisional Superintendent to the Station Staff:—

“Will you therefore note that you and your staff are not to take undue interest in detecting such cases, and creating an uproar about it. I shall take a very serious view of the conduct of the railway staff if they create complications by calling upon inspectors to arrange open delivery in suspected cases of yarn consignment”: and that “no consignment should be detained on mere suspicion, unless the request comes from the Civil authorities”: and that “the instructions are secret, and are not to be communicated to any outsider”?

(c) Will Government lay on the table a copy of this circular, and state whether it has been withdrawn; and has any action been taken against the Divisional Superintendent?

THE HONOURABLE MR. D. D. WARREN: (a) & (b). Yes.

(c) Government do not propose to lay on the table a copy of this circular. It was issued in good faith by the Divisional Superintendent, Lucknow, with the object of stopping corrupt practices amongst the railway staff which had sprung up due to the smuggling of yarn consignments. The smuggling had before the issue of this circular, been brought to the notice of the Provincial Government, but they had not, up to that time, succeeded in stopping it. Since the issue of the circular, the Provincial Government have taken steps to combat the evil, and the smuggling has now practically ceased. Orders for the withdrawal of the circular will shortly issue. No action has been taken against the Divisional Superintendent, who Government consider, acted in good faith.

**THE HONOURABLE MR. G. S. MOTILAL :** What is the objection to the circular being placed on the table ?

**THE HONOURABLE MR. D. D. WARREN :** This matter has been carefully considered with reference to this question and the question which will presently be answered and it is considered that it would not be desirable to place on the table confidential instructions issued to the subordinate staff. One very good reason for not doing this is that it is thought that the publication of these instructions might defeat the object for which they were issued.

**THE HONOURABLE MR. G. S. MOTILAL :** Has any action been taken against the person who issued the instructions which are to be withdrawn ?

**THE HONOURABLE MR. D. D. WARREN :** As I said, Sir, in answer to the question, these instructions were issued in good faith by the Divisional Superintendent but I consider that the circular referred to in this question was certainly not happily worded. As, however, it was issued in good faith it is not proposed to take any action against him.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** How has the Government come to the conclusion that the circular asking the railway staff not to take interest in the detection of smuggled yarn could have been issued in good faith ?

**THE HONOURABLE MR. D. D. WARREN :** The reason is that the view taken was that it was not the duty of the railway staff to stop the smuggling, but the duty of the Provincial Government officers and the police.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Are the railways a Government department or not ? And is the Government of India as a whole interested in the detection and prevention of smuggling or not ?

**THE HONOURABLE MR. D. D. WARREN :** Certainly, Government are interested in the detection and prevention of smuggling ; but the railway authorities have limited powers in regard to the examination of packages of this nature, and for that reason the Divisional Superintendent issued the instructions.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Does the Honourable Member realise that the Divisional Superintendent asked that the staff should take no interest in these cases ? Had the Superintendent asked that the staff should not exceed their powers in cases where smuggling was suspected, he might have been right. But does the Honourable Member realise that the Divisional Superintendent asked the staff to take no notice of such cases ?

**THE HONOURABLE MR. D. D. WARREN :** As I said before, I admit that the circular was not happily worded. But after reading the whole circular, I have certainly come to the conclusion that the sole motive in issuing the circular was to stop corrupt practices.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** How would the circular have led to the prevention of corrupt practices ?

**THE HONOURABLE MR. D. D. WARREN :** The Divisional Superintendent thought the instructions that he issued to his subordinate staff would have the effect of stopping corrupt practices, and in fact it appears that he was justified in thinking that it would be better if the railway staff did not take an interest in stopping smuggling, as it was the duty of the Provincial Government authorities and the police.

#### OVERCHARGING OF FARES OF THIRD CLASS PASSENGERS

13. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Will Government lay on the table a copy of a "confidential" circular issued on or about 26th August, 1946 by the Divisional Superintendent, E. I. R., Lucknow, with regard to the general complaint in the press that Third class passengers are made to pay more than the specified fares at the Booking Offices and that the men of the Government Railway Police are conniving with the Booking Offices staff in this matter ?

**THE HONOURABLE MR. D. D. WARREN :** Two confidential circulars were issued by the Divisional Superintendent, E. I. R., Lucknow, on 26th August, 1946 in regard to the general complaint in the press that third class passengers are made to pay more than the specified fares at the booking offices and that men of the Government Railway Police are conniving with the booking office staff in this matter. These circulars are "confidential" instructions to the staff and the Government do not consider it desirable to place copies of the circulars on the table of the House.

**MR. SUBHAS CHANDRA BOSE**

**14. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Is it a fact that under instructions from the Home Department of the Government of India, a batch of experts belonging to 'the Scotland Yard Intelligence Service' aided by a large number of Indian C.I.D., is, or was keeping a day and night watch along the Indo-Burmese frontier to capture Netaji Subhas Chandra Bose; and wireless sets and searchlights were being used in these operations?

(b) Is it also a fact that as announced by the "National Herald", dated the 18th June, 1946 (page 2, city edition) this account was sent by telegram by its Shillong correspondent on 1st June, but the telegram never reached the office of the paper in Lucknow?

(c) Will Government make a statement in regard to (a) and (b) above; and also state how much money has been spent out of Indian Exchequer on this?

**THE HONOURABLE MR. A. E. PORTER :** (a) No.

(b) Yes. The telegram was withheld under an order of the Government of Assam under section 5(f) (b) of the Telegraph Act.

(c) Does not arise.

**THE HONOURABLE MR. M. THIRUMALA ROW :** Can the Honourable Member give the contents of the telegram?

**THE HONOURABLE MR. A. E. PORTER :** No, Sir, I am afraid I cannot.

#### ESTABLISHMENT OF THE NATIONAL WAR ACADEMY

**15. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Will Government make a statement giving the main features of the scheme for the establishment of the Indian National War Memorial Academy at Khadakvasla about 11 miles from Poona, indicating the financial, administrative, military and other aspects of the proposed institution and the time when it is expected to start functioning, according to present indications?

**THE HONOURABLE SARDAR BALDEV SINGH :** No, Sir, Government are not in a position to make such a statement, as they have not yet received the final report of the N. W. A. Working Committee.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** When will the final report be received?

**THE HONOURABLE SARDAR BALDEV SINGH :** As soon as it is received, it will be placed before the House.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** When will it be received?

**THE HONOURABLE SARDAR BALDEV SINGH :** It is very difficult for me to give a reply to that question.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** When will the Committee meet to pass the report?

**THE HONOURABLE SARDAR BALDEV SINGH :** I am afraid I have not got that information either.



## INDIANS IN BRITISH COLUMBIA

**16. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH:** Will Government state the disabilities of the Indians in British Columbia, and the steps taken to redress them ?

**THE HONOURABLE MR. A. V. PAI:** Indians in British Columbia are denied the Municipal, provincial and federal franchise as a result of which they are debarred from certain public offices and occupations. They cannot serve as trustees in and municipal, district or rural school, hold any municipal office or serve as jurors; they are debarred from employment by contractors for the Public Works Department; and for the sale of Government timber. They cannot be registered as pharmaceutical chemists; it is also understood that they are debarred from holding foreshore leases or from holding Engineer's certificates under the Boiler Inspection Act.

Representations have been made from time to time but without any success so far and the Government continue to pursue the matter.

**THE HONOURABLE MR. G. S. MOTILAL:** What action has Government taken in this matter ?

**THE HONOURABLE MR. A. V. PAI:** Government has made representations through the Canadian Government from time to time.

**THE HONOURABLE MR. G. S. MOTILAL:** When was that done ?

**THE HONOURABLE MR. A. V. PAI:** Officially, in December, 1941. Thereafter, we have made unofficial approaches quite often.

**THE HONOURABLE MR. G. S. MOTILAL:** To the Canadian Government, or to the Government of British Columbia ?

**THE HONOURABLE MR. A. V. PAI:** Federal Government.

**THE HONOURABLE MR. S. K. ROY CHOWDHURY:** Will the Honourable Member state whether the Government of India are thinking of using retaliatory measures against British Columbia ?

**THE HONOURABLE MR. A. V. PAI:** Government do not believe that there is any need for retaliatory measures; they still believe that they will be able to solve the problem by negotiation.

**THE HONOURABLE MR. M. THIRUMALA ROW:** Can the Honourable Member give the number of Indians settled in British Columbia who are affected ?

**THE HONOURABLE MR. A. V. PAI:** About 1,300.

**THE HONOURABLE MR. G. S. MOTILAL:** As it is long since any official action was taken in 1941 will they now take any further action in this matter ?

**THE HONOURABLE MR. A. V. PAI:** In fact we are now engaged in taking action.

## RESUMPTION OF TRADE WITH JAPAN

**17. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH:** (a) Will Government make a statement relating to the rehabilitation of Indian trade with Japan, the steps so far taken by them in this connection in the Far Eastern Commission, with the United States Government, as well as with the occupation authorities in Japan ?

(b) What steps have been taken to facilitate the early return of Indian evacuees to Japan as well as the return to that country of private Indian merchants and traders to inspect their properties and to protect their interests in Japan ? How many of such Indians have been repatriated to Japan ?

(c) What action has been taken with regard to registration and liquidation of claims for compensation on account of damage, etc., done to Indian properties; and what is the total value of claims registered so far ?

**THE HONOURABLE MR. Y. N. SUKTHANKAR:** (a) The disruption of Japanese economy as the result of the war, the complete destruction of vital centres of industry and trade in the country, the time taken in the setting up of the various controls by the Allied Powers, the scarcity of goods, the non-availability of Japanese assets for

payments for commercial purposes, have rendered it impossible for trade to be resumed through normal commercial channels. Trade with Japan will therefore have to be conducted on a Government to Government basis till such time as the resumption of normal trade channels becomes possible.

As the result of the deliberations of the Far Eastern Commission, an Inter-Allied Trade Board has been set up in Washington with the object of determining the sources of supply for meeting Japanese requirements as also the destinations to which Japanese surpluses should be exported. Although an export and import plan is still to be drawn up, the view that India should supply a substantial part of Japanese demand for cotton has, as the result of representations made to the Government of the United States, been accepted, India being promised silk and other goods in exchange. Our political representative in Tokyo is also at present conducting negotiations with the Occupation authorities regarding the resumption of trade between the two countries on a Government to Government basis. He has been specially instructed in this connection to explore the possibility of securing capital goods, particularly textile machinery and mill stores in exchange for Indian exports.

(b) Having regard to the present economic situation in Japan, more particularly the scarcity of food and housing accommodation, it would be unwise to arrange for the return of Indian evacuees to that country. It is understood also that pending the return of conditions to some degree of normalcy, permission is not being accorded to businessmen from any country to visit Japan for business purposes. Our political representative in Tokyo, however, has been instructed to continue to press the occupation authorities for the grant of facilities to a representative group of Indian evacuee businessmen to visit Japan with a view to the inspection of Indian property and to take such action as may be considered necessary for safeguarding Indian interests.

(c) Claims for loss of, or damage to, Indian-owned properties are registered with the Director of Commercial Intelligence, Calcutta. The value of the claims so far registered with him amounts to Rs. 76,10,000. Settlement of these claims awaits the conclusion of the Peace Treaty and a Reparation Agreement with Japan.

**THE HONOURABLE MR. THIRUMAMA ROW :** Which is the Government with which the Government of India is now negotiating for establishing direct trade relations with Japan ?

**THE HONOURABLE MR. Y. N. SUKTHANKAR :** In matters of detail we deal with the authority called SCAP—Special Commander, Allied Powers through our political representation in Tokyo.

#### INDIANS IN MALAYA

**18. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Will Government make a statement relating to the settlement or re-settlement of Indians in Malaya, the facilities for land cultivation open to them, the political and industrial rehabilitation and other advantages afforded to them ?

**THE HONOURABLE MR. A. V. PAI :** The question of settlement or re-settlement of Indians in Malaya is part of the question of the general economic and industrial rehabilitation of the country which is now engaging the attention of the Malayan Government. The Government of India's concern mainly is to see that in facilities that are being provided for the rehabilitation of the population the Indians in Malaya are not discriminated against. Indian evacuees who came to India on the occupation of Malaya by the Japanese have been provided with facilities to return to that country. Deserving cases have been given free passages. There is no scheme at present for granting capital advances to individuals or allotting plots of land for cultivation to Indians who desire to settle in Malaya or any others. The Malayan Government's first task has been to provide relief for destitutes including Indians and in this matter the Government of India have supplemented the work being done by the Malayan Government.

On the political side the question of framing a revised constitutional plan for Malaya is at present engaging the attention of His Majesty's Government. The question of citizenship in which the Indians are interested is also linked with this plan.

## GERMAN REPARATIONS

19. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH : (a) Will Government state what is the basis for allotment to India of industrial and other capital equipments and plants from the three Western Zones of Germany under the agreement reached at the Paris conference on German reparation ?

(b) Will Government lay on the table, or place in the library a list of such goods and equipments, which may have been allotted to India or are proposed to be allotted to India, separately specifying the description, value and other necessary particulars of the equipments and plants ?

THE HONOURABLE MR. Y. N. SUKTHANKAR : (a) India has been allotted 2 per cent of general reparation and 2.9 per cent of capital and industrial equipment under the Paris Agreement on German reparations on the basis of—

- (1) Budgetary cost,
- (2) cost of direct damage,
- (3) man years allocable to the war effort in respect of the armed forces and those spent in munitions industries ; and
- (4) losses of life both of armed forces and of civilians.

(b) Against her reparation share of capital and industrial equipment India has so far been allotted only one German plant, viz., Wagner plant at Dortmund for the manufacture of machine tools, subject to arbitration claimed by the United Kingdom in respect of five machines out of this plant under Article 7 of Part II of the Paris Agreement. The arbitrator's award has been given in favour of the United Kingdom. The Government of India have decided to accept the plant despite the allotment of five of its machines to the United Kingdom as they understand that the removal of these machines will not affect the capacity of the plant for the manufacture of machine tools in any of the normal ranges. Information regarding value and other particulars of the Wagner plant is given in the I.A.R.A./SG/Doc. 2(a), a copy of which is laid on the table of the House.

THE HONOURABLE PANDIT HIRDAY NARH KUNZRU : What are the five machines allotted now to the United Kingdom designed to produce ?

THE HONOURABLE MR. Y. N. SUKTHANKAR : They produce machine tools of a very heavy type.

CONFIDENTIAL

Copy No. 29.

I.A.R.A./SG/Doc. 2 (a)

*Capital Industrial Equipment available for allocation as reparation, energy, minerals, Government of the Inter Allied Reparation Agency*

*Note by the Secretariat.*

Attached is a summary statement and detailed inventory concerning WAGNER & Company, DORTMUND (A.C.A. Plant No. 1003) which is one of the twenty plants included in I.A.R.A. List No. 1.

Bids for this plant to be considered valid must be filed with the Secretary General before May 30, 1946, at 6-00 p.m.

April 15, 1946.

BRUSSELS.

CONFIDENTIAL.

I.A.R.A./SG/Doc. 2 (a)

*Capital Industrial Equipment to be allocated*

*ACC Plant No. 1003*

*IARA List No. 1*

*Name.*—WAGNER & Co.

*Location.*—DORTMUND (BRITISH ZONE).

*Type of Plant.*—Machine-tools factory.

*Principal Products.*—Lathes, planing machines, presses.

*Summary Inventory*

The plant consists of a boiler and heating plant, a foundry, a forge, a turning shop, a planing shop, a boring shop, a milling shop, a grinding shop, a locksmith's shop, a tool manufacturing shop and different auxiliary shops.

The equipment of each shop comprises apparatus and machine-tools of various types as indicated below. There are also 21 cranes of various capacities.

Shop or Plant	Type of machines or apparatus	Number	Estimated residual value in RM.	
1	2	3	4	
Boiler and heating Plant	Gas heated circulation tubular boiler 255 sq. m. heating surface . . . . .	1	10,000	
	Gas heated boiler 40 sq. m., heating Surface . . . . .	1	800	
	Auxiliary equipment (air heaters, water tanks, etc.) . . . . .		3,960	
				<b>14,760</b>
Turning shop . . . . .	Lathes . . . . .	48	192,400	
	Drilling machine . . . . .	1	7,800	
	Grinding machines . . . . .	3	4,700	
	Centering machines . . . . .	2	1,100	
	Boring and turning machine . . . . .	1	24,700	
	Saws . . . . .	4	14,900	
		<b>59</b>		<b>245,800</b>
Planing shop . . . . .	Planing machines . . . . .	14	389,100	
	Slotting machines . . . . .	3	19,900	
	Shaping machines . . . . .	3	8,700	
		<b>20</b>		<b>397,700</b>
Boring shop . . . . .	Boring and milling machines . . . . .	17	372,600	
	Radial drilling machines . . . . .	4	13,400	
		<b>21</b>		<b>386,000</b>
Milling shop . . . . .	Universal, horizontal or vertical milling machines . . . . .	9	61,100	
	Thread milling machines . . . . .	3	19,600	
	Key-way milling machines . . . . .	7	31,700	
	Gear-wheel milling, planing or slotting machines . . . . .	12	193,800	
		<b>31</b>		<b>306,200</b>
Grinding shop . . . . .	Circular grinding machines . . . . .	4	25,200	
				<b>25,200</b>
Locksmith shop . . . . .	Surface grinding machines . . . . .	2	7,300	
	Drilling machines . . . . .	6	15,900	
	Saws . . . . .	2	3,100	
	Miscellaneous machines . . . . .	6	4,640	
		<b>16</b>		<b>30,940</b>
Auxiliary machines . . . . .	Lever Presses . . . . .	3	300	
				<b>300</b>
Tool manufacturing shop.	Lathes . . . . .	2	10,500	
	Grinding machines . . . . .	21	55,400	
	Drilling machines . . . . .	2	600	
	Milling machines . . . . .	2	1,800	
	Presses . . . . .	3	8,900	
	Furnaces (gas heating) . . . . .	6	5,000	
	Hardening installation . . . . .	1	7,000	
	Miscellaneous machines . . . . .	8	13,800	
		<b>45</b>		<b>103,000</b>

1	2	3	4
Carpenters shop	Various wood working machines	9	9,500
	Wood saws	7	4,700
	Chip suction installation	1	2,100
	Miscellaneous machines	4	700
		21	17,000
Foundary	Cupola furnaces :		
	hourly melting capacity		
	7500 Kg.	1	2,700
	5000 Kg.	1	1,800
	High pressure blowers and auxiliary equipment	..	6,900
	Pressure air plant (suction capacity 9 cm.)	1	7,400
	Movable dry-Sand riddling and mixing machines	2	1,100
	Sand preparation machines	2	2,400
	Core moulding machine	1	200
	Miscellaneous apparatus	2	1,700
		10	24,200
Forge	Conveyer belt	1	1,700
	Air hammer 200 kg.	1	4,200
	Gas-heated forging furnace	1	2,400
	Miscellaneous apparatus	..	900
		3	9,200
Yard and Store-House	Crane 5000 Kg.	1	12,700
	Weighing machines	3	8,000
	Saws	2	1,600
	Capstan	1	3,800
	Hook grab	1	2,950
	Miscellaneous apparatus	2	300
		10	29,350
Electric Plants	High voltage plant	1	15,400
	Transformers	9	14,300
	Converters	2	6,700
	Accumulator loading station	1	1,400
	Spare motors	9	850
	Low voltage plant	1	15,700
	Miscellaneous apparatus	..	3,000
	23	60,350	
Cranes	Cranes of various types, capacity from 1 ton till 60 tons	21	204,100
			204,100
	Total		

Most of these machines were manufactured before 1936 : many of them are very old and a few are war damaged.

Details concerning each machine in the plant are to be found in the inventory attached.

#### INDIANS IN HONG KONG

20. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH : (a) Will Government state approximately how many Indians are in Hong Kong? Are they aware that in Hong Kong the colour bar is so strong that its famous "peak" is reserved exclusively for wealthy white residents and no one else is allowed to occupy houses above a certain altitude?

(b) Will they make an enquiry into the above, and state the facts and the steps taken in order to remove the racial discrimination in so far as it affects Indian residents in Hong Kong ?

THE HONOURABLE MR. A. V. PAI : (a) The Indian population in Hong Kong before the war was estimated at 4,745. No information is available about the number of Indians now living in Hong Kong. An inquiry is being made.

From unofficial information available it appears that the 'peak' is reserved for Europeans.

(b) An inquiry is being made.

#### INDIANS IN MAURITIUS

21. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH : Will Government state the approximate number of Indians in Mauritius, and are they aware of the racial and other disabilities from which they are suffering ? If so, will they make a statement on the subject, indicating the nature of their disabilities, and the steps taken to redress them, and the results so far obtained ?

THE HONOURABLE MR. A. V. PAI : (1) Indians in Mauritius number about 270,000 that is, 64 per cent of the total population.

(2) Indians in Mauritius do not suffer from any disabilities based on racial grounds. There is no statutory discrimination against them. They have exactly the same rights and privileges as any other section of the population. Such disabilities as they have arisen from their economic position. The bulk of the Indian population consists of labourers and the real problem is about the wages and the price of sugar cane. The Commission of Enquiry which was set up to inquire into the disturbances in Mauritius in 1943 were of the view that the wages were unduly low and that this was the primary cause of the disturbances. In communicating their views on this report to the Secretary of State for India the Government of India drew particular attention to the fact that the economics of the sugar industry should be inquired into as on this depended the question of wages and other problems affecting the bulk of the Indian community. Final conclusions on the economic of the sugar industry have not been reached, but the Government of India understand that the Government of Mauritius have taken action to raise the standard of life of the labourers.

A Minimum Wage Ordinance is in force in Mauritius since 1934, and minimum wages for labourers on sugar estates have been fixed from time to time under that Ordinance. The Government of India have been informed recently that minimum wages boards for various industries have been set up and that action has been taken to improve the trade union movement and to strengthen the workers' position.

#### INDIANS IN GERMANY

22. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH : Is it a fact that the followers of Srijut Subhas Chandra Bose in Germany are still in the custody of the British Military authorities there ? How many Indians are still in detention in Germany ; and what steps have Government taken for their relief from privations and their liberation ?

THE HONOURABLE MR. A. V. PAI : There are no Indians in military detention or in custody in Germany. The last part of the question does not therefore arise.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Are there no Indians in detention in Germany ?

THE HONOURABLE MR. A. V. PAI : No, Sir. Our information is that no Indians are under detention at present.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Are there no Indians who, though they are now free, have not been able to return to India ?

THE HONOURABLE MR. A. V. PAI : The position is that those Indians who wish to be repatriated are assisted by the Indian Mission in Berlin.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Are there no Indians who, in spite of the assistance given by this Mission have not been able to leave Germany ?

**THE HONOURABLE MR. A. V. PAI :** I cannot say. Those who desire repatriation are being given facilities to leave Germany.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** May I draw the attention of the Honourable Member to the fact that a few days ago it was stated in the papers that there were some Indians who had still not been able to leave Germany ?

**THE HONOURABLE MR. A. V. PAI :** So far as my information goes, they are unable, owing to transport problems, to leave Germany.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Whatever the reason might be, what is the number of Indians who are still in Germany and who are unable to leave it though they would very much like to do so as early as possible ?

**THE HONOURABLE MR. A. V. PAI :** I am afraid I cannot give exact information on that point without notice. But so far as I remember, about 15 have asked for repatriation and a few of them have been repatriated.

**THE HONOURABLE THE PRESIDENT :** If you have got no information please do not venture into unknown fields.

#### DISCOURTEOUS TREATMENT SHOWN TO INDIAN STUDENTS ON BOARD THE "MARINE LYNX"

23. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Has the attention of Government been drawn to a press report that about 320 post-graduate students from Indian Universities, who arrived in San Francisco from Calcutta aboard the "Marine Lynx" which is controlled by the United States War Shipping administration, declared in San Francisco, on or about the 25th August last that they had been treated discourteously by the crew, and that they had suffered petty but consistent annoyance ? Have they made an enquiry into this ? Will they state the facts of the case, and the steps taken in this connection ?

**THE HONOURABLE DR. D. M. SEN :** The Government of India have received no complaint of the kind from any of the students concerned or from any other source in regard to the treatment on board the "Marine Lynx". It is possible however annoyance of the kind mentioned may have been caused, but in the absence of any definite or serious complaint Government think that it is not worthwhile pursuing the matter.

**THE HONOURABLE MR. M. THIRUMALA ROW :** Do the Government of India take notice of reports appearing in the Press about this ?

**THE HONOURABLE DR. D. M. SEN :** I have called for a report from our local officer in the U.S.A. Our officers received these students on disembarkation and we have received no complaint from them and that is why it is not worth our while pursuing the matter. We would get a report from the Educational Liaison officer who is already there, in the usual course.

**THE HONOURABLE MR. M. THIRUMALA ROW :** Does not the Government of India think it worthwhile to attach some importance to reports appearing in the press and pursue the matter ? Won't they take any action unless the complaint comes directly from them in the official way ?

(No answer)

#### INDIANS IN SOUTHERN RHODESIA

24. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Are Government aware that a move to restrict further trading licenses to Indians in Gatooma (S. Rhodesia) is afoot and that the applications by two Indians for trading licenses have been recently rejected ?

(b) Have they made any enquiry into the disabilities under which the Indians labour in that territory and what steps have they taken to remove them ?

**THE HONOURABLE MR. A. V. PAI :** (a) Government have no information on the point. Inquiries are being made and the information will be furnished when received.

(b) Indians in Southern Rhodesia are under no disability as regards political and municipal franchise or holding of land outside "native areas". They have, however, a grievance in the matter of grant of trading rights in Native areas, and the sale or lease of Crown lands in proximity to Native areas. The attention of the Government of Southern Rhodesia was drawn to these and they explained that this policy was governed by considerations of the well-being of the Natives. The Government of India did not consider it necessary to pursue the matter.

"CAMERONIA" INCIDENT IN MALAYA

**25. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH:** Have Government made any enquiry into the serious allegations made in the press that about 300 First class passengers on the steamer "Cameronia" were subjected to rude treatment by an officer of the principal sea transport office at Singapore, sometimes ago, and will they make a statement on this subject and state what steps have been taken in this connection ?

**THE HONOURABLE MR. A. V. PAI :** Yes Sir. A Naval Officer—(a Lieut.-Commander)—on the staff of the Principal Sea-Transport Officer, Singapore, was reported to have been rude to Indian passengers at the time of their embarkation on the SS. "Cameronia" at Singapore on the 9th September, 1946. It is reported that the Lieut.-Commander was rude to an Indian lady passenger and when Dr. R. K. Banerjee of the Congress Medical Mission intervened, the Lieut.-Commander assaulted him.

On receipt of the news, the Government of India arranged to have the statements of Dr. Banerjee of the Congress Medical Mission and other eye witnesses recorded on their arrival in Madras. The Representative of the Government of India in Malaya was immediately instructed to take the matter up with the authorities in Malaya and convey to them the Government of India's firm request for an immediate inquiry and for officers concerned making suitable grounds by offering an apology from the officers concerned. The Representative of the Government of India referred the matter to the Governor of Singapore and the latter has expressed regret for the incident and also given an assurance that disciplinary action will be taken by the Naval authorities against the Lieut.-Commander in question.

**THE HONOURABLE MR. G. S. MOTILAL :** Has any action been taken by the Government ?

**THE HONOURABLE MR. A. V. PAI :** They are making inquiries.

**THE HONOURABLE MR. M. THIRUMALA ROW :** Will Government see that some reparation for the assault received by Mr. Banerjee by way of compensation is made ?

**THE HONOURABLE MR. A. V. PAI :** We have not considered the question. We are awaiting the result of the inquiries we have made.

EXECUTION OF NINE I.N.A. PERSONNEL

**26. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Is it a fact that about 14 officers of I. N. A. were executed in the Multan, Delhi, Calcutta and Lahore Jails, before the commencement of the Red Fort trial in Delhi ? If so, will Government state the proceedings of their trial, the names of the officers constituting the Court, the law under which they were tried, and the opportunity given to the accused for their defence ?



(b) Is it a fact that the names of the officers of the I. N. A. who were executed as mentioned in (a) above are :—

1. Capt. Durga Mal (Nepal),
2. Capt. Bachan Singh (Ludhiana),
3. Havaldar Narendra Singh (Ludhiana),
4. „ Shanker Singh (Kangra),
5. „ Gurdayal Singh (Patiala),
6. „ Amar Singh (Ambala),
7. „ Zahoor Ahmad (Rawalpindi),
8. „ Tara Singh (Amritsar),
9. „ Teja Singh (Gurudaspur),
10. „ S. L. Majumdar (Bengal),
11. „ Gurcharan Singh (Ludhiana),
12. „ L. N. Nagra Singh (Patiala),
13. „ Chatur Singh (Gurdaspur),
14. „ Sardara Singh (Hoshiarpur),

THE HONOURABLE SARDAR BALDEV SINGH : (a) & (b). Altogether nine persons were executed after trial by court martial before the beginning of the I. N. A. trials for waging war against the King or desertion. In all cases the accused were given full opportunity for their defence. Information is not readily available with regard to the names of the officers constituting the courts martial nor will any useful purpose be served by publishing this information.

I lay a statement on the table of the House giving particulars of these nine persons.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Were these men allowed to choose any lawyers they liked to defend them or did the Government of India appoint the lawyers ?

THE HONOURABLE SARDAR BALDEV SINGH : I cannot give an off-hand reply to this question, but I will find out. All I can say is that they were given full opportunity to defend themselves.

Statement in reply to Question No. 26 asked on 7th November 1946, by the Hon. Raja Yuveraj Dutta Singh

Sr. No.	No., Rank, Name and Unit of accused, and Act to which subject	Form of Tribunal, Place and dates of trial	Charges on which arraigned	Charges on which convicted	Sentence as confirmed	Defending Officer	Place and date of execution
1	18663 Sepoy Chatter Singh, 5/8 Punjab Regt. (Subject to the IAA)	Summary General Court Martial Delhi 14th June 1944	Waging War against the King	Waging War against the King	Death by being hanged	Lt. L. C. Green SEA, TIC (Solicitor)	Delhi 26th July 1944
2	9896 Sepoy Nazir Singh, 8 Burnas Rifles (Subject to the IAA)	Summary General Court Martial Delhi 15th June 1944	Do.	Do.	Do.	Do.	Do.
3	6775 Hav. Durga Mal, 2/1 Gurkha Rifles (Subject to the IAA)	Summary General Court Martial Delhi 5th July 1944	Do.	Do.	Do.	Capt. E. W. Seir, RIASC (Solicitor)	Delhi 25th August 1944
4	10648 Sepoy (P/L/NK) Hazara Singh, 5/3 Punjab Regt. (Subject to the IAA)	Summary General Court Martial Delhi 25th August 1944	Do.	Do.	Do.	Lt. S. A. Hoesain, R. I. A. S. C., 'B' M. T. Trg. Group.	Delhi 25th October 1944
5	MT 503961 Fitter (Class II) Sardar Singh IAOC, est 4/7 Gurkha Rifles (Subject to the IAA)	Summary General Court Martial Calcutta 6th October 1944	Waging War against the King (3 counts)	Waging War against the King (3 counts)	Do.	Capt. M. S. Haqqani, IAOC 220 I. A. O. D. Pleader with right of audience in Sessions Court.	Calcutta 23rd March 1945

Sr. No.	No., Rank, Name and Unit of accused, and Act, to which subject	Form of Tribunal, Place and dates of trial	Charges on which arraigned	Charges on which convicted	Sentence as confirmed	Defending Officer	Place and date of execution
6	299'6 I. O. Jem. Keshri Chand Sharma, RIASC (Subject to the IAA)	General Court Martial Delhi 12 & 13th December 1944	Waging War against the King	Waging War against the King	Death by being hanged	Capt. H. B. C. Horrell, Barrister-at-Law.	Delhi 3rd May 1945
7	6120 Jem. Dalbahadur Thapa, 2/1st Gurkha Rifles (Subject to the IAA)	General Court Martial Delhi 12th February 1945	Do.	Do.	Do.	Lt. Idris Ahmad, I. A. O. C. Pleader.	Delhi 3rd May 1945
8	8771 Naik Nagindar Singh, 8th (F. F.) Bn. Burma Rifles att. Details Indian Military Prison (Subject to the BAA)	Summary General Court Martial Multan 3rd July 1943	1. Desertion. 2. Desertion. 3. Waging War against the King	1. Desertion. 2. Desertion.	Do.	Major P. H. M. Galbraith, 1st Burma Regt.	Multan 28th August 1943
9	10376 L/Ntk. Charan Singh, 8 Burma Rifles (Subject to the BAA)	Summary General Court Martial Multan 6th July 1943	1. Desertion. 2. Waging War against the King	1. Desertion. 2. Waging War against the King	Do.	Do.	Multan 28th August 1943

INDIANS IN GERMANY.

27. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH** : Will Government state how many Indians are still detained in the British Zone in Germany ; and what steps have Government taken to secure their release ? And with what result ?

**THE HONOURABLE MR. A. V. PAI** : There are no Indians in detention in the British Zone in Germany. The question of release therefore does not arise.

**MR. SUBHAS CHANDRA BOSE.**

28. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH** : Are Government in possession of reliable information relating to the whereabouts of Srijut Netaji Subhas Chandra Bose, about whom conflicting reports are current ?

**THE HONOURABLE MR. A. E. PORTER** : Government are not in a position to make an authoritative statement on the question.

**MR. SUBHAS CHANDRA BOSE.**

29. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH** : (a) Has the attention of Government been drawn to the following statement of Srijut Sheelbhadrayajee, Vice-President of the All-India Forward Bloc (*vide* the "Pioneer" dated the 14th October, 1946, late City edition) "I must ask the public to remember that recently a responsible body like the Working Committee of the All India Forward Bloc passed a resolution to the effect that they are in a position to state that Netaji is alive, and he would appear in India at the opportune moment. I can only say that this is an authoritative statement based on reliable material. I would not like to say anything more just at present except reassuring the masses that their liberator Netaji Bose is still in flesh and blood" ?

(b) In view of the above, do Government propose to take any action to find out the real facts of the matter ?

**THE HONOURABLE MR. A. E. PORTER** : I have seen the statement. Government do not propose to make any inquiries in the matter.

INDIAN TROOPS STATIONED ABROAD.

30. **THE HONOURABLE RAJA YUVERAJ DUTTA SINGH** : Will Government state separately the number of Indian troops still stationed outside India, the places where they are stationed, the number of troops stationed in each place and the purpose for which they are stationed in those places ?

**THE HONOURABLE SARDAR BALDEV SINGH** : There are at present Indian troops overseas in Japan, Hong Kong, Malaya, Siam, Netherlands East Indies, Burma, Borneo, Middle East (including Iraq) and Italy. As regards the number of these troops, it is not advisable to disclose the number of Indian troops in overseas theatres, unless other countries decide to do so.

The Indian troops in Japan form the Indian contingent of the British Commonwealth Occupation Force. As regards other places, I would state in general terms that the existing Indian troops represent a much reduced proportion of the very large forces originally sent to these countries either to destroy the enemy who had occupied them or to prevent the enemy from occupying them. In all cases, except in Japan the Indian troops are being steadily and systematically reduced in numbers and brought back to India.

**THE HONOURABLE MR. M. THIRUMALA ROW** : What is the purpose of the troops now being stationed in Indonesia ?

**THE HONOURABLE SARDAR BALDEV SINGH** : The troops will be withdrawn by the end of November.

**THE HONOURABLE MR. M. THIRUMALA ROW** : Is the Honourable Member aware that his predecessor had made a promise as early as March, 1946 that all the troops will be withdrawn by the 1st November ? Has that promise been carried out ?

**THE HONOURABLE SARDAR BALDEV SINGH :** Most probably the delay is due to the shipping difficulties. But the information available at present is that the troops will be withdrawn by the end of this month.

**THE HONOURABLE MR. M. THIRUMALAROW :** Is the Honourable Member aware that according to an answer given in the other House and published in the papers a number of officers were killed in Indonesia in order to prop up another Empire ?

**THE HONOURABLE SARDAR BALDEV SINGH :** I am not sure about that.

**THE HONOURABLE MR. M. THIRUMALAROW :** Will the Honourable Member see to it that Indian troops will no longer be used to oppress other nations ?

**THE HONOURABLE SARDAR BALDEV SINGH :** That has been made perfectly clear.

**RESETTLEMENT AND EMPLOYMENT ORGANISATION, DIRECTORATE GENERAL OF DISPOSALS AND INDUSTRIES AND SUPPLIES DEPARTMENT**

**31. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Will Government place on the table a comprehensive statement of the Resettlement Directorate, giving the qualifications, the present scale of salaries of its gazetted officers, the salaries on which the officers were appointed for the first time in the Government of India and the salaries these officers earned before entering the service of the Central Government, indicating the years in each case ?

(b) Will they place on the table a comprehensive statement of the Supply Department and its Disposal Directorate, giving the details of the information noted in (a) above ?

**THE HONOURABLE MR. S. LALL :** (a) It is presumed that the Honourable Member is referring to the Resettlement and Employment Organisation under the Department of Labour. If so, a statement giving the information asked for, so far as it is available, is placed on the table.

(b) A similar statement in respect of the Directorate General of Disposals furnishing the information required as far as is available is also laid on the table.

Information in regard to the Secretariat of the Industries and Supplies Department is being collected and will be laid on the table when ready.

**THE HONOURABLE MR. M. THIRUMALAROW :** With regard to (b), has the Honourable Member's attention been drawn to an advertisement that has recently appeared in the Calcutta papers that acids and weapons are offered for sale in the Disposals Directorate ? This is an important question and I want an answer from the Government.

**THE HONOURABLE THE PRESIDENT :** Government is not responsible for everything that appears in the papers.

**THE HONOURABLE MR. M. THIRUMALAROW :** It is an advertisement of the Disposals Department for which Government is responsible.

**THE HONOURABLE THE PRESIDENT :** I disallow the question.

S. No.	Name	Post Held	Qualifications	Date of first appointment under Central Government	Date of appointment in Dte. Genl. of Resettlement and Employment	Pay before entering Central Government	Pay on first appointment under Central Government	Present scale of Pay	Remarks
1	2	3	4	5	6	7	8	9	10
1	Newsab Muhtaq Ahmad Gurmani.	Director General of Resettlement and Employment.	Educated at the M. A. O. Collegiate School Aligarh, and privately at home.	25-7-43	18-7-45	Rs. per month Not in service.	Rs. per month 1,500	3,000 (fixed)	..
..	Mr. R. H. Salovey, O.B.E., I.C.S.	Offg. Director General of Resettlement and Employment.	I. C. S. . .	4-8-45	28-8-46 Afternoon	Senior time scale in I.C.S. plus special pay Rs. 300.	Senior time scale in I.C.S. plus special pay Rs. 300.	3,000	..
2	Mr. N. C. Shrivastava, I.C.S.	Deputy Secretary to the Government of India, Department of Labour (Dte. Genl. of Resettlement and Employment).	I. C. S. . .	6-2-43	1-12-45	1,100	1,100 plus Rs. 150.	1,275 in senior time scale of I.C.S. plus special pay Rs. 400.	..
3	Mr. M. A. Latif, B.A. (Cantab.), M.A. (Punjab), F.P.S.	Ditto . . .	B. A. (Cantab.), M.A. (Punjab), F.P.S.	17-3-44	1-12-45	500	1,000	1,250-50- 1,450.	..

S. No.	Name	Post Held	Qualifications	Date of first appointment under Central Government	Date of appointment in Dte. Genl. of Resettlement and Employment	Pay before entering Central Government	Pay on first appointment under Central Government	Present scale of Pay	Remarks
1	2	3	4	5	6	7	8	9	10
4	Mr. Bishambar Nath.	Assistant Secretary to the Government of India, Department of Labour (Dte. Genl. of Resettlement and Employment).	B. A.	8-9-14	20-9-45	Rs. per month	Rs. per month 140	Rs. per month 1,000-50- 1,250.	--
5	Mr. Mathra Dass.	Ditto	Matriculate	3-9-17	20-9-45	..	75	Do.	--
6	Mr. M. Fahim	Ditto	Senior Cambridge	15-6-27	20.	..	75	Do.	Belongs to the Imperial Scottish Service
7	Mr. P. V. Kuppuswamy.	Attache to the Dte. Genl. of Resettlement and Employment.	B. A.	3-9-46	3-9-46	Basic pay Rs. 400 plus war allowance D.A. and other allowances.	600 (fixed).	600 (fixed)	..
8	Mr. Har Gopal Puri.	Superintendent, Department of Labour (Dte. Genl. of Resettlement and Employment).	B. A.	25-11-18	20-9-45		75	600-40 800	--

9	Mr. M. V. N. Ayyar.	Ditto	B. A.	20-5-36	20-9-45	..	100	500—80—600
10	Mr. P. N. Sharma.	Ditto	Matriculate	10-12-28	20-9-45	..	75	600—40—800
11	Mr. J. N. Mathur.	Ditto	B.Sc.	23-4-27	20-9-45	..	75	600—40—800
12	Mr. M. S. Qureshi.	Ditto	B. A.	24-11-24	20-9-45	..	75	600—40—800
13	Mr. O. K. Sherwani.	Ditto	B. A.	15-7-31	20-9-45	..	75	600—40—800
14	Mr. Gopal Das Seth.	Ditto	B. A.	16-8-41	20-9-45	170	200	600—40—800
15	Mr. S. N. Basu	Ditto	B. A.	1-6-29	20-9-45	..	40	600—40—800
16	Mr. Maharaj Kishan.	Ditto	M.A., LL.B.	19-11-41	20-9-45	..	100	250—20—350
17	Mr. S. Rangaswami	Ditto	B. A.	21-11-41	20-9-45	120	200	600—40—800
18	Mr. K. D. Jones	Director of Employment Exchanges.	On loan to Government of India from Ministry of Labour and National Service U. K.	1-3-45	2-7-45	<i>Director of Employment Exchanges.</i> £ 671 plus war bonus £ 190.	1,400	1,750
19	Mr. A. G. Read	Deputy Director of Employment Exchanges (Inspection).	On loan to Govt. of India from Ministry of Labour and National Service, U. K.	26-1-46	26-1-46	£ 571 p. a. plus £ 90 as war bonus.	1,200 plus £ 25 S. O. P. P. m.	1,200—1,250 plus £ 25 p.m.



S. No.	Name	Post Held	Qualifications	Date of first appointment under Central Government	Date of appointment in De. Genl. Government and Employment	Pay before entering Central Government	Pay on first appointment under Central Government	Present scale of pay	Remarks
1	2	3	4	5	6	7	8	9	10
20	Mr. E. I. M. Jones.	Deputy Director of Employment Exchanges (Training).	On loan to Government of India from Ministry of Labour and National Service, U. K.	26-1-46	26-1-46	Rs. per month £ 35½ p. a. plus £ 78 as war bonus.	Rs. 1,150 plus £ 25 O. P. p. m.	Rs. per month 1,150—1,250 plus £ 25 p.m.	
21	Mr. S. N. Roy	Director of Training.	B.Sc., M. Met. (Sheffield).	15-11-40	<i>Directorate of Training</i> 27-8-45	900 in the scale of 750—50/2— 1,000.	Previous pay (Rs. 900) plus honorarium 20 per cent. of pay.	2,000 in the scale of 2,000—100— 2,400.	
22	Reo Behadur K. Sanjiva Rao.	Director of Vocational Training.	L. T. M. of Victoria Jubilee Technical Institute, Bombay Mechanical Engineer, II Class, (Boilers Act, Bombay). M.Sc., Punjab; Ph. D. Cantab. P.E.S. (Class I).	9-1-46	9-1-46	700 with free furnished quarters.	1,750 in the scale of 1,750—50— 2,000.	1,750 in the scale of 1,750—50— 2,000.	
23	Dr. H. K. Gore	Deputy Director of Vocational Training.	M.Sc., Punjab; Ph. D. Cantab. P.E.S. (Class I).	15-6-42	24-12-45	335 in the scale of 200—15—275/ 15—470—15— 500—20—600.	335 in the scale of 200—15—275/ 15—470—15— 500—20—600.	1,000 in the scale of 1,000—50— 1,250.	
24	Sardar Sahib Mehtab Singh	Ditto	M.Sc., F.C.S., M. A. C. S.	September 44	2-1-46	450 plus special pay plus 75 car allowance plus 50 conveyance allowance.	650	800	

25	Mr. S. M. Ibrahim.	Trade Testing Co-ordinator.	B.Sc. (Eng.) from Edinburgh, A. M. I. E. (India).	1946	1946	705	700	700—50—900	
26	Mr. J. Ghosal.	Ditto	Degree in Science from France.	1946	1946	750	700	700—50—900	
27	Mr. S. K. Mishra.	Trade Testing Officer.	Passed apprenticeship examination at Jamalpore Workshops in 1939; M. I. and S. I. (Lond.), A. M. I. Tech. I. (Great Britain). Post-graduate I. A. E. and G. I. Loco. E. (Lond.).	1945	1946	850	881-4-0	600—25—700	
<i>Directorate of Publicity</i>									
28	Mr. M. D. Taseer.	Director of Publicity.	M. A. Ph. D.	1943	30-3-46	700 (plus royalties, fees and publication emoluments).	1,200 in the scale of 1,200—50—1,350.	1,750—50—2,000.	
29	Mr. Sahman Ali.	Deputy Director of Publicity (Production).	B. A. (Hons.), Oxford.	1941	3-7-46	200 in the scale of 200—10—300.	700 in the scale of 700—50—1,000.	1,000—50—1,200.	
30	Mr. M. M. Chatterji.	Assistant Director of Publicity (Production).	B. A. (Calcutta University) with second class honours in English. Had Economics and Philosophy as subsidiary subjects and Bengali as vernacular.	1942	8-7-46	200 (Editorial Staff <i>Capital</i> ).	200 (Journalist in the C. P. D.)	725—25—900	

S. No.	Name	Post Held	Qualifications	Date of first appointment under Central Government	Date of appointment in Dte. Genl. Re-settlement and Employment	Pay before entering Central Government	Pay on first appointment under Central Government	Present scale of pay	Remarks
1	2	3	4	5	6	7	8	9	10
31	Mr. K. Ramachandran.	Publicity Officer (Production).	B. A.	July, 1942	28-9-45	Rs. per month 200 Editor and Reporter in <i>The Moti</i> , Madras.	Rs. per month 320 Editor in <i>A.I.R.</i> , Delhi.	Rs. per month. 700-25-1,000	
32	Mr. A. N. Mahaldar.	Assistant Statistical Officer.	M. A. (Maths.), I Class. Research experience as Fellow of the University of Lucknow.	26-1-46	Statistical Section 26-1-46	200	350	350-25-750	
33	Mr. P. N. Segal	Ditto	M. A. (Economics) 1st Class. Received Statistical Training at the All India Statistical Laboratory, Calcutta, for 1½ years.	18-3-43	8-2-46	250	350	350-25-750	
34	Mr. A. N. K. Nair.	Ditto	M.A., M.Sc., C.A.I. I.B. Dip Ger.	23-11-43	October 1946	150	350	350-25-750	

35	Mr. S. P. Agarwala.	B. A. Hons., M. A. (Maths.) and M. A. (Economics), L.L.B. Prof. tests in French and German. 14 months post-graduate course in Statistics at the Indian Statistical Institute, Calcutta.	22-3-44	7-2-46	180	350	350—25—750
36	Dr. H. R. Chaturvedi.	Ph. D. (Wales). Training in Agriculture (I Class). Attended advance courses in the University of Wales (Aberystwyth) in Economics, Political Science and Agricultural Economics. Training in <i>England</i> and <i>Ireland</i> in Agricultural, Economics and Research. Training in <i>Canada</i> and <i>U. S. A.</i> in Economic Problems.	19-2-46	19-2-46	345	400	350—25—750
37	Lt. Col. S. Hamidullah.	Chief Resettlement Advice Officer.	<i>Resettlement Advice Service Scheme</i> M. A., F. R. G. S., 30-9-41   11-2-46 M. E. F. A. <i>Employment Directorate</i>		1,000	1,050	1,500 (fixed)
38	Mr. C. T. Diddin	Senior Deputy Director of Employment	1941	19-2-45	1,450 excluding allowances (in civil employ).	1,643 (including allowances)	1,500—50—1,750
39	Mr. H. Davenport.	Deputy Director of Employment.	1941	20-11-45	Not available.	1,000	1,000—50—1,250

S. No.	Name	Post Held	Qualifications	Date of first appointment under Central Government	Date of appointment in Dev. Genl. settlement and Employment	Pay before entering Central Government	Pay on first appointment under Central Government	Present scale of pay	Remarks
1	3	3	4	5	6	7	8	9	10
40	Mr. F. O. Smith	Officer on Special Duty.	London Trade Schoolership Technical Institute Education. Technical Instructor British Government. Precision Tool Specialist Instructor, Government of India. Superintendent of Workshops, Technical Training Scheme, Engineering College, Benares Hindu University.	13-3-42	18-7-45	Rs. per month Not available.	Rs. per month 620	Rs. per month 752	
41	Mrs. Zinat Rashid Ahmed	Deputy Directress of Training Women.	M. A. (English), 1st Class Cambridge Teacher's Training Certificate and was awarded a mark of distinction in Principles of Education	13-5-45	16-10-46	400	500	725 (fixed)	

43	Dr. W. E. Stein.	Chief Rehabilitation Officer.	D.Sc., A.M.I., Chem. E.	December 1941	30-4-46	Owned business	800	1,750-50-1,850
<p style="text-align: center;"><i>Scheme for Rehabilitation and Resettlement of Disabled Ex-Servicemen</i></p> <p>Member of the National Institute of Industrial Psychology, London. Associate Member of the Industrial Safety Officers Section of the Royal Society for the Prevention of Accidents and the National Safety first Association (Incorporated London). Member of the Society for the Chemical Industry, London in the following Sections:—</p> <p>(a) Chemical Engineering Group.          (b) Overseas Section.          (c) Group for food, Plastics, Road and Building material and Agriculture.</p> <p>Member of the Industrial Welfare Society, London. Associate of the Institute of Labour (Personnel) Management, London. Fellow of the Chemical Society, London.</p>								

**ESTABLISHMENT OF A CENTRAL WATERWAYS, IRRIGATION AND NAVIGATION RESEARCH STATION AT DELHI.**

**32. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Is there any proposal of constructing a huge experimental tank in Delhi or New Delhi, into which the waters of the Jumna River will be pumped ? If so, for what purpose and approximately at what cost ?

**THE HONOURABLE MR. C. H. BHABHA :** The Honourable Member presumably refers to a report which appeared recently in one of the newspapers. There is a proposal under consideration to start a Central Waterways, Irrigation and Navigation Research Station at Delhi to carry on research in various problems relating to river characteristics, behaviour and training, design of canals and canal works, navigation channels and navigation works. The proposal is to construct a small tank close to the electric power house on the right bank of the Jumna at Delhi. The waste water coming out of the power house will flow into this tank and will then be utilised on various experiments through a number of channels running out of the tank. The water will finally discharge lower down into the Jumna. A certain amount of pumping will probably be necessary to give sufficient head of water for various experiments. The approximate cost of the research station has been estimated at Rs. 15 lakhs non recurring and Rs. 6½ lakhs recurring. The proposal is, however, still under consideration and has not yet been finalised.

**THE HONOURABLE MR. M. THIRUMALA ROW :** Have Government got a similar experimental station at Poona ?

**THE HONOURABLE MR. C. H. BHABHA :** Yes, Sir. There is a similar smaller station at Khadakvasla near Poona.

**CORRECT PRONUNCIATION AND SPELLING OF MUTTRA.**

**33. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** Are Government aware that the sacred city of the Hindus in U.P. correctly pronounced as " Mathura " is officially, and in railway time tables wrongly spelt as " Muttra " ? Will they issue directions that the name of the city should be correctly spelt as " Mathura " in official records ?

**THE HONOURABLE MR. D. D. WARREN :** Government are aware that in the Muttra District Volume of the United Provinces' Gazetteers it is mentioned that the more correct spelling of " Muttra " is " Mathura ". In the Imperial Gazetteer, however, the capital of the ancient Kingdom of Suresena is referred to as " Muttra ".

Representations on this subject having been received in recent months from the Brij Sahitya Mandal, the matter has been referred by the G. I. P. R. to the United Provinces Government, and a decision will be taken in the light of their reply when received.

**FOOD SITUATION.**

**34. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH :** (a) Will Government state separately the quantity and varieties of foodgrains that have been imported into India since the National Interim Government took office, indicating the countries from which the imports have come ?

(b) Will they place a similar statement on the table with respect to the imports of foodgrains which are expected to come from different countries and also state how far such imports are likely to fall short of the actual requirements of India to tide over the threatened scarcity of food and the impending famine in this country ?

(c) Will they make a general statement of the food position in India and the steps taken to cope with the situation ?

**THE HONOURABLE MR. C. H. BHABHA :** With your permission Sir, I would like to answer all three parts of the question together.

In the first place, I would draw the attention of the Honourable Member to the Memorandum on the Food Situation, a copy of which is laid on the table of the House.

With regard to parts (a) and (b) of the question, I have laid statements on the table showing the actual arrivals of foodgrains in September and October, and the expected arrivals during November. We have received no firm figures for shipments other than those contained in the statements, and it would be misleading for me to attempt an estimate as to how far future imports will meet or fall short of the actual requirements of India. I can say this much, that those of which we have been notified are inadequate, and that I am endeavouring by every means in my power to secure additional shipments.

STATEMENT I

*Statement showing foodgrains received in India from abroad during September and October, 1946 (Actuals up to 24th October 1946 and expected during the remaining 7 days of October.)*  
September—

Australia . . . . .	43,836 Wheat
Do. . . . .	35,764 Wheat equivalent of 26,108 tons of flour.
Do. . . . .	200 Millets.
U.S.A. . . . .	67,581 Wheat
Do. . . . .	5,100 Maize.
Do. . . . .	7,625 Milo.
Burma . . . . .	2,300 Maize.
Argentine . . . . .	26,182 Maize.
Egypt . . . . .	4,709 Barley.
Do. . . . .	14,644 Millets.
Abbyssinia . . . . .	1,421 Millets.
Burma . . . . .	54,248 Rice.
Java . . . . .	4,000 Rice equivalent of 6,019 tons of paddy.
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Total . . . . .	267,810
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October—

Australia . . . . .	17,079 Wheat
Do. . . . .	900 Millets.
U.S.A. . . . .	34,373 Wheat.
Do. . . . .	6,852 Wheat equivalent of 5,002 tons of flour.
Do. . . . .	7,475 Milo.
Argentine . . . . .	97,737 Maize.
Do. . . . .	1,684 Millets.
Egypt . . . . .	2,383 Millets.
Do. . . . .	2,157 Barley.
Iraq . . . . .	1,000 Millets.
Do. . . . .	16,700 Barley.
Turkey . . . . .	1,000 Millets.
Do. . . . .	25,499 Barley.
Brazil . . . . .	19,484 Rice.
Siam . . . . .	9,000 Rice.
Java . . . . .	16,000 Rice equivalent of paddy.
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Total . . . . .	259,223
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## STATEMENT II

*Statement showing foodgrains expected from abroad during November, 1946*

Exporting Country	Quantity	Commodity
U.S.A.	102,122	Wheat
Do.	3,949	Wheat equivalent of 2,883 tons of flour.
Do.	14,375	Milo.
Canada	53,229	Wheat.
Australia	11,780	Wheat equivalent of 8,600 tons of flour.
Argentina	55,618	Maize.
Do.	7,000	Millets.
Iraq	32,000	Barley.
Turkey	20,000	Barley.
Burma and Siam	20,000	Rice.
Brazil	10,239	Rice.
Java	16,000	Rice equivalent of 24,000 tons of paddy.
Total	346,312	

## INDIANS IN MALAYA

35. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: Is it a fact that the condition of Indian labourers in Malaya is far from satisfactory; and that an Indian labourer is paid there approximately one-half to one-third of what Chinese labourer is paid? What steps have been taken by Government to redress the grievances of the Indians in Malaya in general and of the Indian labourers in particular?

THE HONOURABLE MR. A. V. PAI: The condition of Indian labourers in Malaya soon after the re-occupation of that country was reported to be unsatisfactory. This was due to the conditions arising out of the war in general and hardships caused during the period of Japanese occupation in particular. The chief needs of Indians including Indian labourers immediately after re-occupation were medical relief, provision of food and clothing, cash relief and provision of passages to India. These were the main concern of the military administration and of the civil government that later took over the administration of the country. The Government of India have supplemented the efforts of these administrations as far as possible. They sent a Medical Mission consisting of nine doctors with assistants, equipment and medical supplies. This Mission treated about 36,000 Indians, mostly labourers. The Government of India also assisted the Congress Medical Mission to proceed to Malaya and provide medical relief in that country. Exports were arranged of about 120 bales of cloth, old and new, for free distribution among labourers. Unfortunately in view of the internal position in India, we could not arrange to export any foodstuffs. It is understood, however, that the military administration arranged for the provision of food as far as possible. The Government of India also distributed cash relief through their Representative and Welfare Officers to deserving Indian families both of the middle class and the labour class. As regards passages, the acute scarcity of shipping space has been the limiting factor. Passages were arranged for a large number of Indians in returning military transports. About 8,000 Indians have so far been provided with passages. It is reported that there are still about 20,000 Indians waiting to return to India. The Government of India now propose to direct a ship on the Indian register immediately to ply between Madras and Malayan ports to bring them back. Deserving cases selected by the Representative have been provided with free passages at the expense of the Government of India.

As regards the disparity between Indian and Chinese wages referred to by the Honourable Member it is true that while an Indian labourer earns about 1 dollar 10 cents a day, a Chinese worker manages to secure 2 to 2½ dollars a day. It is

explained that this is due to the fact that whereas Indian labourers are employed on a daily wage basis the Chinese accept work only on a contract basis and are able to secure higher rates of payment of results.

**THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR :** Was any offer made to the Indian labourers there to work under contract ?

**THE HONOURABLE MR. A. V. PAI :** They got some work on contract wages.

**THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR :** In that case did they get the same wages as the Chinese.

**THE HONOURABLE MR. A. V. PAI :** They did manage to get a little more but I cannot say exactly what they were paid.

**THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR :** Will Government try to get this information ?

**THE HONOURABLE THE PRESIDENT :** The question time has expired. We will now proceed with the further business on the list.

### STATEMENTS, ETC., LAID ON THE TABLE

**THE HONOURABLE SIR CYRIL JONES (Finance Secretary) :** Sir, I lay on the table a copy of the Public Debt (Central Government) Rules, 1946, published with the Notification of the Government of India in the Finance Department No. F. 9 (1) B/46, dated the 20th April, 1946, under sub-section (3) of section 28 of the Public Debt (Central Government) Act, 1944.\*

#### FINANCE DEPARTMENT NOTIFICATION

*New Delhi, the 20th April, 1946*

**No. F. 9 (1) B /46.**— In pursuance of sub-section (3) of section 1 of the Public Debt (Central Government) Act, 1944 (XVIII of 1944), the Central Government is pleased to appoint the 1st day of May, 1946, as the date on which the said Act shall come into force.

#### FINANCE DEPARTMENT NOTIFICATION

*New Delhi, the 20th April 1946*

**No. F. 9 (1) B 146.**— *Introduction.*— In exercise of the powers conferred by section 28 of the Public Debt (Central Government) Act, 1944 (XVIII of 1944), the Central Government is pleased to make the following rules, the same having been previously published as required by sub-section (1) of the said section, namely :—

1. *Short-title and application.*— (1) These rules may be called the Public Debt (Central Government) Rules, 1946.

(2) These rules shall apply to the whole of British India including British Baluchistan and those excluded and partially excluded areas to which the Public Debt (Central Government) Act, 1944 (XVIII of 1944) has been or may hereafter be applied by notification under sub-section 1) of section 92 of the Government of India Act, 1935 and shall come into force on the 1st May 1946.

(3) They shall apply only in the case of those securities issued by the Central Government to which the Public Debt (Central Government) Act, 1944 (XVIII of 1944) applies.

2. *Definitions.*— In these rules, unless there is anything repugnant in the subject or context,—

(1) "the Act" means the Public Debt (Central Government) Act, 1944 (XVIII of 1944) ;

(2) "the Bank" means the Reserve Bank of India ;

(3) "District Magistrate" means every person exercising all or any of the powers of a District Magistrate as defined under the Code of Criminal Procedure for the time being in force ;

(4) "Officer of the Bank" means the officer appointed by the Reserve Bank of India to perform the duties under the Act ;

(5) "Form" means a form as set out in the Schedule to these rules ;

(6) "Public Debt Office" means the office of the Reserve Bank of India on the books of which a Government security is registered or may be registered ;

(7) "Mutilated Security" means a security which has been destroyed, torn or damaged in material parts thereof and the material parts of a security are those where—

\*Not printed in these debates.

- (i) the number, loan to which it belongs and the face value of the security or payments of interest are recorded, or
- (ii) the endorsement or the name of the payee is written or the transfer is executed, or
- (iii) the renewal receipt is supplied;
- (8) "Lost Security" means a security which has actually been lost and shall not mean a security which is in possession of some person adversely to the claimant.
- (9) "Defaced Security" means a security which has been made illegible or rendered untransferable in material parts.

3. *Forms of Government securities.*— A Government security may be held or issued in the form of—

- (1) a Government promissory note payable to or to the order of a certain person;
- (2) a bearer bond payable to bearer provided the issue in this form is permitted in respect of the loan to which the security appertains by a notification in the *Gazette of India*;
- (3) stock in the manner laid down in Rule 5 hereunder;
- (4) a treasury bill payable to or to the order of a certain person;
- (5) a promissory note in Form I issuable to a Ruler of an Indian State.

4. *Form of Government Security issuable under sub-section (2) (a) (iv) of Section 2 of the Act.*— The Central Government may prescribe by notification in the official *Gazette* any other form of Government security issued under sub-section (2) (a) (v) of Section 2 of the Act.

5. *Stock.*— Stock may be—

- (1) registered in the books of the Public Debt Office, for which stock certificates are issued, or
- (2) held, subject to such conditions and restrictions as the Bank may prescribe, at credit of the holder in the Subsidiary General Ledger Account maintained by the Public Debt Office.

6. *Security in special form issuable to a ruler of a state.*— (1) Government securities may be issued to the Ruler of a State in India, at his request in Form I, provided that—

- (a) the Ruler has been admitted to this privilege by order of the Central Government, and
- (b) the total amount in this form including the amount applied for is not less than Rs. 50,000.
- (2) Notes issued in accordance with sub-rule (1) shall be in the name of the Ruler by which he is designated and his successors, and property in them, save as otherwise provided, shall devolve by succession.

(3) The provisions prescribed for payment of interest on, and payment of principal of a Government promissory note shall apply to a security issued under this rule.

7. *Transfer of different forms of securities.*— The different forms of Government securities shall be transferable only in the manner hereunder—

- (1) A Government promissory note or a treasury bill :—
  - (a) It shall be transferable by endorsement and delivery like a promissory note payable to order.
  - (b) No endorsement of a Government promissory note or a treasury bill shall be valid unless made by the signature of the holder or his duly constituted attorney or representative inscribed on the back of the security itself.
  - (c) No writing on a Government promissory note or a treasury bill is valid for the purpose of negotiation if such writing purports to transfer only a part of the amount denominated by the security.
  - (d) The treasury or sub-treasury or any office or the Bank of the Public Debt Office may decline to accept a Government promissory note or a treasury bill endorsed in blank for any purpose unless the endorsement in blank is converted into that in full before presentation.
- (2) Bearer bonds shall be transferable by delivery. The person in possession of the bond shall be deemed to be a holder of the bond.
- (3) *Stock* :—
  - (a) Stock for which a stock certificate is issued or which is held in the Subsidiary General Ledger Account shall be transferable either wholly or in part by execution of an instrument of transfer in Form II or III as the case may be.
  - (b) The transferor shall be deemed to be the holder of the stock to which the transfer relates until the name of the transferee is registered as a holder of the stock by the Public Debt Office.
- (4) Promissory notes in Form I issued to a Ruler of an Indian State are transferable by an endorsement by the Ruler of the State for the time being. The transferee of any such note shall not be capable of negotiating or drawing interest on the same when so transferred, but shall be entitled on surrender to the Public Debt Office of the note so transferred duly receipted in Form XVI and on payment of the prescribed fee to obtain therefrom Government promissory note or notes for the nominal value of the note so transferred.

8. *Provision for holding stock by trustees and office holders.*— (1) Government securities in the form of stock may be held by a holder of an office other than a public office—

(a) in his personal name, described in the books of the Public Debt Office and in the stock certificate as a trustee, whether as a trustee of the trust specified in his application or as a trustee without any such qualification, or

(b) by the name of his office.

(2) On an application made in writing to the Public Debt Office in the Form required by that office, by the person in whose name a Government security stands and on surrender of the security the Public Debt Office may—

(a) make an entry in their books describing him as a trustee of a specified trust or as a trustee without specification of any trust and issue a stock certificate in his name described as trustee with or without the specification of the trust as the case may be, or

(b) issue a stock certificate to him by the name of his office and make entry in its books describing him as the holder of the stock by the name of his office.

according to the applicant's request provided—

(i) the request is in conformity with the provisions of sub-rule (1) hereof.

(ii) the necessary evidence required by the Public Debt Office in terms of sub-rule 7 has been furnished, and

(iii) the Government security in the form of a Government promissory note has been endorsed in favour of the Governor General of India in Council.

(3) The stock certificate under sub-rule (1) may be held by the holder of the office either alone or jointly with a person or persons holding an office, other than a public office, or another person or an official authorised to hold securities by the name of his office.

(4) When stocks is held by a person in the name of his office, any document relating to the stock concerned may be executed by the person for the time being holding the office by the name in which the stock is held as if his personal name were so stated.

(5) Where any transfer-deed, power-of-attorney or other document purporting to be executed by a stock holder described in the books of the Public Debt Office as a trustee or as a holder of an office is produced to the Public Debt Office, the Public Debt Office shall not be concerned to inquire whether the stock holder is entitled under the terms of any trust or document or rules to give any such power or to execute such deed or other document, and may act on the transfer-deed, power-of-attorney or document in the same manner as though the executant is a stock holder and whether the stock holder is or is not described in the transfer-deed, power-of-attorney or document as a trustee or as a holder of an office and whether he does or does not purport to execute the transfer-deed, power-of-attorney or document in his capacity as a trustee or as a holder of the office.

(6) Nothing in these rules shall, as between any trustees or office holders, or as between and trustees or office-holders and the beneficiaries, under a trust or any document or rules, by deemed to authorise the trustees or office-holders to act otherwise than in accordance with the rules of law applying to trust, the terms of the instrument constituting the trust, or the rules governing the association, of which the stock holder is a holder of an office; and neither the Government nor any person holding or acquiring any interest in any Government stock shall, by reason only of any entry in any register maintained by or on behalf of the Government in relation to any Government stock or any stock holder, or of anything in any document relating to Government stock, be affected with notice of any trust or of the fiduciary character of any stock holder or of any fiduciary obligation attaching to the holding of any Government stock.

(7) Before acting on any application made, or on any document purporting to be executed in pursuance of this rule by a person as being the holder of any office, the Public Debt Office may require the production of evidence that such person is the holder for the time being of that office.

9. *Payment of interest.*—Payment of interest on a Government security shall be made and acknowledged in the following manner:—

(1) *Government Promissory Note.*—Interest on a Government promissory note may be made payable at any treasury or sub-treasury in British India subject to compliance by the holder with such formalities as the Public Debt Office may require and interest shall accordingly be paid at such treasury or sub-treasury on presentation of the note itself. The payee shall give a receipt in Form IV. Where, however, interest on a Government promissory note is payable at a place where a Public Debt Office is located, the note shall be presented at the Public Debt Office which shall issue an interest warrant in favour of the holder payable at the local office of the Bank. Notwithstanding anything contained herein, the Public Debt Office may pay interest on a Government promissory note, the interest on which is payable at a treasury or sub-treasury by an interest warrant payable at such treasury or sub-treasury.

(2) *Stock.*—Interest on stock shall be paid by warrants issued by the Public Debt Office and payable at the local office of the Bank. Such warrants may, at the request of the holder of the stock preferred in writing to the Public Debt Office, be made payable subject to compliance by the holder with such formalities as the Public Debt Office may require at any other Indian office of the Reserve Bank of India or any agency thereof conducting Government treasury business or at any treasury or sub-treasury in British India, or, in a state in India, at the Head Post Office, if there is no British Indian treasury, or, if there is no Head Post Office, at any Post Office designated by the Central Government by order in writing in this behalf. The presentation of the stock certificate shall not be required at the time of payment of interest, but the payee shall acknowledge receipt on the back of the warrant.

(3) *Bearer Bond*.—Interest on a bearer bond shall be paid to any person who presents the coupon entitling him to such interest at the Public Debt Office or the treasury in India at which the bond is registered for payment of interest.

(4) Interest on security transferred to London shall be paid by interest drafts issued by the London Office of the Bank payable in rupees at Bombay, Calcutta, Delhi or Madras.

(5) Notwithstanding anything contained in the sub-rules of this rule, the Bank may arrange for payment of interest on a Government security at any place not provided herein.

10. *Payment of prize money*.—The amount of any prize drawn in respect of a Prize bond shall after his claim has been admitted by the Bank, be paid in cash or in the form of Government securities according to the terms of the Bond, to the person who presents such prize bond at any office authorised by Government as an office of issue at the time when the loan to which the prize bond belongs was open to subscription.

11. *Procedure when a Government security is lost, etc.*—(1) When a Government security is lost, stolen, destroyed, mutilated or defaced, the person entitled thereto shall apply for the issue of a duplicate security in the manner laid down in Rules 12, 13, 14, 15, 16 or 17, as the case may be, to the Public Debt Office at which the security is domiciled or registered with a statement showing particulars, such as number, amount and loan of the security.

(2) The Bank may by its order suspend payment of interest on or the maturity value of the security or postpone the making of any order under Section 11 of the Act or the registration of any transfer of the security until the vesting order has been made.

#### 12. Government Promissory Note :—

(1) *Procedure when a Government Promissory Note is lost, etc.*—The application for the issue of a duplicate note in place of a Government promissory note which is alleged to have been lost, stolen, destroyed, mutilated or defaced either wholly or in part shall be accompanied by

(a) a Statement of the following particulars, namely:—

(i) the last half-year for which interest has been paid;

(ii) the person to whom such interest was paid ;

(iii) the person in whose name the note was issued (if known) ;

(iv) particulars of coupons attached (if any) ;

(v) the place for payment of interest at which the note was for the time being encased ;

(vi) the circumstances attending the loss, theft, destruction, mutilation or defacement; and

(vii) whether the loss or theft was reported to the police ;

(b) the Post Office registration receipt for the letter containing the note, if the same was lost in transmission by registered post ;

(c) a copy of the police report, if the loss or theft was reported to the police ;

(d) where the last payment of interest was not made by a warrant issued by the Public Debt Office, a letter signed by the officer of the treasury where interest was last paid, certifying the last payment of interest on the note and stating the name of the party to whom such payment was made ;

(e) if the applicant is not the holder in whose name the note was originally issued, an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the promissory note and all documentary evidence necessary to trace back the title to the original holder ; and

(f) any portion or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced note.

(2) A duplicate of the letter to the Public Debt Office, but not of its enclosures, shall also be sent to the treasury where interest is payable

(3) The loss, theft, destruction, mutilation or defacement of a Government promissory note or portion of a Government promissory note shall be further notified by the applicant in three successive issues of the *Gazette of India* and of the local official *Gazette* if any, of the place where the loss, theft, destruction, mutilation or defacement occurred. Such notification shall be in the form following, or as nearly in such form as circumstances permit :—

"Lost" ("stolen", "destroyed", "mutilated" or "defaced" as the case may be).

"The Government promissory note No. \_\_\_\_\_ of the \_\_\_\_\_ per cent. loan of \_\_\_\_\_ for Rs. \_\_\_\_\_, originally standing in the name of \_\_\_\_\_, and last endorsed to \_\_\_\_\_ the proprietor by whom it was never endorsed to any other person having been lost (stolen, destroyed, mutilated or defaced) notice is hereby given that payment of the above note and the interest thereupon has been stopped at the Public Debt Office, and that application is about to be made for the issue of a duplicate in favour of the proprietor. The public are cautioned against purchasing or otherwise dealing with the abovementioned security.

Name of person notifying.

Residence".

(4) After the publication of the last notification prescribed in sub-rule (3) of this rule, the Bank shall, if it is satisfied of the loss, theft, destruction, mutilation or defacement of the note and

of the justice of the claim of the applicant, cause the particulars of the note to be included in a list such as is referred to in Rule 18 hereunder, and shall order the Public Debt Office—

(a) if only a portion of the note has been lost, stolen, destroyed, mutilated or defaced and if a portion of the note sufficient for its identification has been produced, to pay interest and to issue to the applicant, on the execution of an indemnity bond such as is hereinafter mentioned, a duplicate note in place of that of which a portion has been so lost, stolen, destroyed, mutilated or defaced, and on the expiry of such period as the Bank may consider necessary from or immediately after the date of the publication of the said list,

(b) if no portion of the note so lost, stolen, destroyed, mutilated or defaced, sufficient for its identification has been produced—

(I) to pay to the applicant, two years after the publication of the said list, and on the execution of an indemnity bond in the manner hereinafter prescribed, the interest in respect of the note so lost, stolen, destroyed, mutilated or defaced till the expiry of the period of six years as hereunder, and

(II) to issue to the applicant a duplicate note in place of the note so lost, stolen, destroyed, mutilated or defaced six years after the date of publication of the said list; provided that—

(i) if the date on which the note is due for repayment falls earlier than the date on which the said period of six years expires, the Bank shall, within six weeks of the former date, invest the principal amount due on the note in the Post Office Savings Bank unless before the expiry of such period, the applicant has made a specific request for the investment of the amount in securities of any of the current rupee loans of the Central Government maturing not earlier than the date on which the duplicate is due for issue, and in that case, shall invest the amount in such securities, and deposit the balance if any, left after such investment in the Post Office Savings Bank. It shall repay the amount invested in the Post Office Savings Bank, together with any interest which may have accrued thereon and, if any investment has been made in Government securities, shall deliver such securities, together with the interest accrued thereon, to the applicant at the time when a duplicate note would otherwise have been issued, and

(ii) if at any time before the issue of duplicate note the original note is discovered or it appears to the Public Debt Office for other reasons that the order should be rescinded, the matter shall be referred to the Bank for further consideration and in the meantime all action on the order shall be suspended. An order passed under this sub-rule shall on expiry of the six years referred to therein, become final unless it is in the meantime rescinded or otherwise modified.

(c) if the note has been lost by enemy action, to pay interest and to issue to the applicant, on the execution of an indemnity bond as is hereinafter mentioned, a duplicate note immediately after the date of the publication of the said list.

(5) The Bank may, at any time prior to the issue of a duplicate note, if it finds sufficient reason, alter or cancel any order made by the Bank under this rule and may also direct that the interval before the issue of a duplicate note shall be extended by such period not exceeding six years as it may think fit.

#### (6) Indemnity Bonds—

(i) (a) when executed under sub-rule (4) (b) (I) and not under Rule 22 (8) shall be for twice the amount of the interest involved, that is to say, twice the amount of all back interest accrued due on the note plus twice the amount of all interest to accrue due thereon during the period which will have to elapse before the issue of a duplicate note can be made, and

(b) in all other cases shall be for twice the face value of the note plus twice the amount of interest calculated in accordance with clause (a).

(ii) The Bank may direct that such indemnity bond shall be executed by the applicant alone or by the applicant and one or two sureties as it may think fit, or that in lieu of furnishing personal sureties the applicant shall furnish collateral security in the shape of Government securities to be deposited with it for such amount and period as it may think fit.

#### 13. Treasury Bills :—

*Procedure when a treasury bill is lost, etc.*—(1) Every application regarding a treasury bill alleged to have been lost, stolen, destroyed, mutilated or defaced, either wholly or in part, shall be addressed to the Office or agency of the Bank which issued it, and shall be accompanied by a registration fee of Re. 1 per treasury bill and a statement of the following particulars, namely:—

(i) the circumstances attending the loss, theft, destruction, mutilation or defacement; and

(ii) whether the loss or theft was reported to the police.

(2) The application shall also be accompanied by—

(i) the Post Office registration receipt for the letter containing the treasury bill if lost in transmission by post;

(ii) a copy of the police report, if the loss or theft was reported to the police;

(iii) an affidavit sworn before a magistrate testifying that the claimant was the last legal holder of the treasury bill; and

(iv) any portions or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced treasury bill.

(3) The loss, theft, destruction, mutilation or defacement of a treasury bill shall be further notified by the applicant in one issue each of the *Gazette of India* and of the local official *Gazette*, if any, of the place where the loss, theft, destruction, mutilation or defacement occurred. Such notification should be in the form following, or as nearly in such form as circumstances permit:—

"Lost" ("stolen", "destroyed", "mutilated" or "defaced" as the case may be).

"The Treasury Bill No. \_\_\_\_\_ for Rs. \_\_\_\_\_ issued on \_\_\_\_\_ and maturing after a period of \_\_\_\_\_ months, having been lost (stolen, destroyed, mutilated or defaced) notice is hereby given that application is about to be made for payment of the value of the said Treasury Bill in favour of the undersigned.

Name of person notifying.

Residence."

(4) After the publication of the notifications prescribed in sub-rule (3) hereof, the Bank shall if it is satisfied of the loss, theft, destruction, mutilation or defacement of the treasury bill, and of the justice of the claim of the applicant, cause the particulars of the treasury bill to be included in a list such as is referred to in Rule 18 hereunder and may authorise the office of issue to pay immediately, or if the bill has not matured in the meanwhile, on the date of its maturity, the value of the bill to the applicant on the execution of an indemnity bond such as is hereinafter mentioned, provided that if for any reason the Bank holds that payment of the value of the treasury bill as above would involve risk of loss to Government, it may withhold payment thereof, and in that case, shall within six weeks of the date of its decision to withhold payment or of the date of maturity of the treasury bill alleged to have been lost, stolen, destroyed, mutilated, or defaced, whichever date is later, invest the amount of the treasury bill in the Post Office Savings Bank unless, before the expiry of such period, the applicant has made a specific request for the investment of the amount in securities of any of the current rupee loans of the Central Government maturing not earlier than the date on which the amount is due for payment, and in that case the Bank shall invest the amount in such securities and deposit the balance, if any, left after such investment in the Post Office Savings Bank. The Bank shall repay the amount invested in the Post Office Savings Bank, together with any interest which may have accrued thereon and if any investment has been made in Government securities, shall deliver such securities, together with the interest accrued thereon, to the applicant on the expiry of six years from the date of publication in the list mentioned above.

(5) The indemnity bond referred to in sub-rule (4) hereof if an indemnity bond has not been executed under Rule 22 (8) shall be for twice the value of the treasury bill. The Bank may direct that such indemnity bond shall be executed by the applicant alone or by the applicant and one or two sureties or that in lieu of furnishing sureties the applicant shall deposit with it collateral security in the shape of Government securities for such amount and period as it may think fit.

#### 14. Bearer Bonds :—

*Procedure when a bearer bond is lost, etc.*—(1) Every application for the issue of a duplicate bond in place of a bearer bond which is alleged to have been lost, stolen, destroyed, mutilated, or defaced together with its coupons or the coupons of which are alleged to have been lost, stolen, destroyed, mutilated or defaced shall be accompanied by a registration fee of Re. 1 per bond and a statement of the following particulars, namely :—

(i) particulars of coupons alleged to have been lost or in the possession of the claimant, as the case may be ;

(ii) the name of the Public Debt Office or treasury at which the bond has been registered for payment of interest ;

(iii) the circumstances attending the loss, theft, destruction, mutilation or defacement and

(iv) whether the loss or theft was reported to the police.

(2) The application shall be accompanied by—

(i) the Post Office registration receipt for the letter containing the bearer bond or coupons or both, if lost in transmission by registered post ;

(ii) a copy of the police report, if the loss or theft was reported to the police ;

(iii) where the last payment of a coupon with regard to the bond was not made by the Public Debt Office, a letter signed by the officer of the treasury at which interest was last paid, certifying the last payment of such coupon ;

(iv) an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the bearer bond ;

(v) any portion or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced bearer bond or coupons, or both ; and

(vi) all coupons which are in possession of the person claiming to be the owner of the bond and coupons.

(3) A duplicate of the letter to the Public Debt Office but not of its enclosures shall also be sent to the treasury at which the bond is registered for payment of coupons.

(4) The loss, theft, destruction, mutilation or defacement of a bearer bond or coupons, or both, shall be further notified by the applicant in three successive issues of the *Gazette of India* and of the local official Gazette, if any, of the place where the loss, theft, destruction, mutilation or defacement occurred. Such notification shall be in the form following or as nearly in such form as circumstances permit :—

"Lost" ("stolen", "destroyed", "mutilated" or "defaced" as the case may be).

[coupons relating to bearer bond No.]

(together with coupons or without coupons) for Rs.

loan \_\_\_\_\_ having  
for Rs.

been lost (stolen, destroyed, mutilated or defaced), notice is hereby given that application is about to be made to the Public Debt Office for the issue of a duplicate in favour of the undersigned.

Name of person notifying.

Residence".

(5) Where a bearer bond is reported to be lost, stolen, destroyed, mutilated or defaced, and the coupons are in the possession of the person claiming to be the owner of the bond and coupons, the Bank shall, on the expiry of such period as the bank may consider proper from or immediately after the date of the last notification prescribed in sub-rule (4), if satisfied that the bond has been lost, stolen, destroyed, mutilated or defaced and that the claim of the applicant is just, cause the particulars of the bond so lost, stolen, destroyed, mutilated or defaced to be included in a list such as is referred to in Rule 18 hereof and shall order the Public Debt Office to issue to the applicant a duplicate bond with coupons and to pay the amount of any coupons which may be due on the execution of an indemnity bond taken for twice the value of the bond lost, stolen, destroyed, mutilated or defaced if an indemnity bond has not been executed under Rule 22 (8) and on the surrender of the unpaid coupons of the original bond.

(6) Where both a bearer bond and its coupons are reported to be lost, stolen, destroyed, mutilated or defaced, the Bank shall on the expiry of two years from the date of the last notification prescribed in sub-rule (4) if *prima facie*, grounds exist for believing that the bond and coupons have been lost, stolen, destroyed, mutilated or defaced, and that the claim of the applicant is just, cause the particulars of the bond and coupons so lost, stolen, destroyed, mutilated or defaced to be included in a list such as is referred to in Rule 18 hereof and shall pass a provisional order requiring the Public Debt Office, on the expiry of six years from the date of publication, as hereinafter provided, of the list in which the lost, stolen, destroyed, mutilated or defaced bond and coupons are first included and on the execution of an indemnity bond taken for twice the value of the bond and twice the value of the coupons due for payment if an indemnity bond has not been executed under Rule 22 (8) and unless reasons to the contrary appear (in which case the matter shall be referred back to the Bank)—

(a) to issue to the applicant a duplicate bond with coupons, and

(b) to pay the amount of any coupon which may be due.

Provided that, if the date on which the bearer bond is due for repayment falls earlier than the date on which the period of six years prescribed in this rule expires, the Bank shall, within six weeks of the former date, invest the amount of the bond in the Post Office Savings Bank and shall repay this amount, together with any interest which may have accrued thereon in such Bank, to the applicant at the time when a duplicate bond would otherwise have been issued.

(7) Where the coupons only of a Bearer Bond are reported to be lost, stolen, destroyed, mutilated or defaced and the Bond with any coupons attached to it is in the possession of the person claiming to be the owner thereof, the Bank, on the expiry of such period as it may consider proper from or immediately after the date of the last notification prescribed in sub-rule (4) and on being satisfied that the coupons have been lost, stolen, destroyed, mutilated or defaced and that the claim of the applicant is just, shall cause the particulars of the coupons so lost, stolen, destroyed, mutilated or defaced to be included in a list such as is referred to in Rule 18 hereof and shall order the Public Debt Office to issue to the applicant a duplicate bond with coupons which are not due for payment and to pay the amount of any coupons which may be due on the execution of an indemnity bond taken for twice the value of coupons due for payment and on the surrender of the Bearer Bond and the coupons in his possession provided an indemnity bond has not been executed under Rule 22 (8).

(8) In making any order under this rule the Bank may direct that the indemnity bond be executed by the applicant alone or by the applicant and two sureties as the Bank may think fit.

(9) A provisional order passed under sub-rule (6) shall, on the expiry of the six years referred to therein become final unless it is in the meantime rescinded or otherwise altered.

(10) The Bank may at any time prior to the issue of a duplicate bond, if it finds sufficient reasons, alter or cancel any order made by the Bank under sub-rule (5), (6) or (7) and may also direct that the interval before the issue of a duplicate bond shall be extended by such period not exceeding six years, as it thinks fit.

15. Prize Bonds :—

*Procedure when a prize bond is lost etc.*—[(1) (a)] Every application for the issue of a duplicate bond in place of a prize bond which is alleged to have been lost, stolen, destroyed, mutilated or defaced shall be addressed to the Public Debt Office and shall be accompanied by a registration fee of Re. 1 per bond and a statement of the following particulars, namely :—

- (i) particulars of the number and value of the prize bond and the loan to which it belongs ;
- (ii) the name of the office at which the bond was purchased ;
- (iii) the circumstances attending the loss, theft, destruction, mutilation or defacement ;



(iv) whether the loss or theft was reported to the police.

(b) Such application shall be accompanied by:—

(i) Post Office registration receipt for the letter containing the prize bond, if lost in transmission by registered post;

(ii) a copy of the police report if the loss or theft was reported to the police;

(iii) an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the bond; and

(iv) any portions or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced prize bond.

(2) The loss, theft, destruction, mutilation or defacement of a prize bond shall be further notified by the applicant in the *Gazette of India* and the local official Gazette, if any, of the place where the loss, theft, destruction, mutilation or defacement occurred. Such notification shall be published in such issues of each Gazette, not exceeding three in the case of each, as may be directed by the Bank and shall be in the form following or as nearly in such form as circumstances permit:—

"Lost" ("stolen", "destroyed", "mutilated" or "defaced" as the case may be).

"The Prize Bond No. \_\_\_\_\_ of the \_\_\_\_\_ loan having been lost (stolen, destroyed, mutilated or defaced), notice is hereby given that application is about to be made to the Public Debt Office for the issue of a duplicate in favour of the undersigned.

Name of the person notifying,

Residence."

(3) Where a prize bond is reported to be lost, stolen, destroyed, mutilated or defaced, the Bank shall, on the expiry of two years from the date of the last notification prescribed in sub-rule (2), if *prima facie* grounds exist for believing that the bond has been lost, stolen, destroyed, mutilated or defaced and that the claim of the applicant is just, cause the particulars of the bond so lost, stolen, destroyed, mutilated or defaced to be included in a list such as is referred to in Rule 18 and shall pass a provisional order requiring the Public Debt Office, on the expiry of six years from the date of the publication, as hereinafter provided, of the list in which the lost, stolen, destroyed, mutilated or defaced bond is first included and on the execution of an indemnity bond taken for twice the value of the bond, [if an indemnity bond has not been executed under Rule 22 (8)] and unless reverse to the contrary appear (in which case the matter shall be referred back to the Bank to issue to the applicant a duplicate bond:

Provided that, if any prize is drawn but not paid in respect of a prize bond which is alleged to be lost, stolen, destroyed, mutilated or defaced, the amount of such prize shall be invested in such Government securities as the Bank may deem fit and such securities shall be transferred to the applicant, at the time when the duplicate bond is issued, on the execution of an indemnity bond taken for twice the amount of the prize money.

(4) A provisional order passed under sub-rule (3) shall on the expiry of the six years referred to in that rule become final:

Provided that the Bank may at any time prior to the issue of a duplicate bond, if it finds sufficient reasons, alter or cancel any such order, and may also direct that the interval before the issue of a duplicate bond shall be extended by such period, not exceeding six years, as it think fit.

(5) In making any order under sub-rule (3), the Bank may direct that the indemnity bond be executed by the applicant alone or by the applicant and two sureties as the Bank may think fit.

16. Stock certificate:—

*Procedure when a stock certificate is lost etc.*—[(1)] Every application for the issue of a duplicate stock certificate in place of a stock certificate which is alleged to have been lost, stolen, destroyed, mutilated or defaced, either wholly or in part shall be addressed to the Public Debt Office and shall be accompanied by:—

(a) the Post Office registration receipt for the letter containing the stock certificate, if the same was lost in transmission by registered post:

(b) a copy of the police report, if the loss or theft was reported to the police;

(c) an affidavit sworn before a Magistrate testifying that the applicant is the legal holder of the stock certificate and that the stock certificate is neither in his possession nor has it been transferred, pledged or otherwise dealt with by him; and

(d) any portions or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced stock certificate.

(2) The circumstances attending the loss shall be stated in the application.

(3) The Bank shall, if it is satisfied of the loss, theft, destruction, mutilation or defacement of the stock certificate, order the Public Debt Office to issue a duplicate stock certificate in lieu of the original certificate.

17. *Procedure when a Government promissory note in special form is lost etc.* The procedure prescribed in Rule 12 shall apply to a promissory note issued in Form I, when such note is lost, stolen, destroyed, mutilated or defaced.

18. *Publication of list.*—(1) The lists referred to in Rules 12 to 15 shall be published half-yearly in the *Gazette of India* in the months of January and July or as soon afterwards as may be convenient.

(2) All Government promissory notes, treasury bills, bearer bonds, coupons, prize bonds and notes in Form I in respect of which an order has been passed under Rules 12 to 15, in the case may be, shall be included in the first list published next after the passing of such order and thereafter such notes, treasury bills, bearer bonds, coupons, prize bonds and notes in Form I shall continue to be included in every succeeding list until the expiration of six years from the date of first publication.

(3) The list shall contain as far as possible the following particulars regarding each note, treasury bill, bearer bond, coupon, prize bond, and note in Form I included therein, namely, the name of the loan, the number of the Government security, its value, the person to whom it was issued, the date from which it bears interest, the dividend number and date of coupon, the name of the applicant for a duplicate, the number and the date of the order passed by the Bank for payment of interest or issue of a duplicate and the date of publication of the list in which the Government security or the coupon was first included.

19. *Determination of title by vesting order.*—Notwithstanding anything contained in Rules 12 to 17, the title to a lost, stolen, destroyed, mutilated or defaced security may be determined by the Bank by its order vesting title to the security or to the payment of interest only or to both.

20. *Determination of a mutilated security as a security requiring renewal.*—It shall be at the option of the Bank to treat a security which has been mutilated or defaced as a security requiring issue of a duplicate under any of the Rules from 12 to 17 or mere renewal under Rule 24.

21. *When a Government promissory note is required to be renewed.*—(1) A holder of a Government promissory note may be required by the Public Debt Office to receipt the same for renewal in any of the following cases, namely:—

(a) if only sufficient room remains on the back of the note for one further endorsement or if any word is written upon the note across any existing endorsement or endorsements;

(b) if the note is torn or in any way damaged or crowded with writing or unfit, in the opinion of the Public Debt Office;

(c) if any endorsement is not clear and distinct or does not indicate the payee or payees as the case may be, by name or in the case of office-holders, by office, or is made otherwise than in one of the endorsement cages on the back of the note;

(d) if the interest on the note has remained undrawn ten years or more;

(e) if the interest cages on the reverse of the note have been completely filled or if the vacant printed cages on the reverse of the note do not correspond with the half-years for which interest has become due on the date when the note is presented for drawal of interest;

(f) if the note having been defaced three times for payment of interest is presented for re-encasement; and

(g) if, in the opinion of the Public Debt Office, the title of the person presenting the note for payment of interest is irregular or not fully proved.

(2) When requisition for renewal of a Government Promissory note has been made under sub-rule (1) payment of any further interest thereon may be refused until it is receipted for renewal and actually renewed.

22. *Procedure for making vesting order.*—(1) In cases to which Section 9, 10, or 12 of the Act, as the case may be, applies, the Bank may determine the person in the manner hereunder as being entitled in its opinion.

(i) to the security, or

(ii) only to payment of all accrued interest and accruing interest, or

(iii) to the security and payment of all accrued and accruing interest, and may by its order vest title in such person accordingly.

(2) The person claiming to be entitled to a security or to payment of accrued and accruing interest thereon shall apply to the Bank and adduce documentary evidence in support of his claim.

(3) On receipt of the application by the Bank, the Bank if it contemplates making a vesting order under the Act—

(i) may suspend payment of interest on or the maturity value of the security or postpone the making of any order under Section 11 or the registration of any transfer of the security until the vesting order has been made;

(ii) may, if it considers proper, request a District Magistrate, or in the case of an Indian State, the Political Agent to record or to have recorded the whole or any part of such evidence as any person whose evidence the Bank requires may produce or direct one of its officers to record such evidence or may receive evidence upon affidavit. Nothing herein shall preclude the Bank from determining title without enquiry in the manner laid down in this sub-rule except in cases coming under Section 12 of the Act.

(4) The Bank shall thereafter give notice in writing to each claimant of whom it has knowledge, stating the names of all other claimants and the time when and the officer of the Bank by whom the determination of title will be made.

(5) On the date and at the time fixed in the notice, the officer shall—

(i) examine the evidence adduced by the parties;

(ii) hear the parties affected and record such evidence as they adduce. No further evidence shall be recorded or entertained in cases where—

(a) the District Magistrate or the Political Agent, as the case may be, has been requested to record or to have the evidence recorded, or

(b) the Bank has directed one of its officers to record the evidence; and

(iii) determine the issue as to who is entitled to the security or to payment of interest or to both.

(6) After determination of the issue by the officer, the Bank shall give notice in writing to each claimant of the determination so made.

(7) The notices prescribed in sub-rules (4) and (6) above shall be published in three successive issues of the *Gazette of India* and the local official *Gazette* as soon as possible after the date on which they are respectively issued.

(8) The Bank may require the person considered by the Bank as being entitled to the security or to payment of interest or to both to execute a bond in Form V, with one or more sureties or to furnish security not exceeding twice the value of the subject matter of the order, to be held at the disposal of the Bank to pay to the Bank or to any person to whom the Bank may assign the bond or security in furtherance of sub-section (2) of Section 16 of the Act, the amount thereof,

(9) On the expiry of six months from the issue of the notices referred to in sub-rule (7), the Bank may make an order vesting in the person found by the Bank to be entitled thereto—

- (a) the security, or
- (b) the payment of accrued and accruing interest on the security, or
- (c) both the security and the payment of accrued and accruing interest on the security.

(10) When title to the accrued and accruing interest is vested in a person under sub-rule (9)(b), such person shall be deemed as having been granted powers to realise accrued interest and to draw interest that may from time to time become due on the security pending a further order vesting full title.

(11) In the case of a security maturing for payment of principal the Bank may vest title limited to drawal of interest and simultaneously full title to take effect on the maturity of the security.

(12) The person in whom title to the accrued and accruing interest has been vested by the Bank may apply to the Bank for issue of an order vesting full title in him when the security becomes due for payment of the discharge value and the Bank may vest full title in him in the manner laid down in the sub-rules of this rule.

(13) Notwithstanding anything contained in the sub-rules of this rule, the Bank may vest—

- (a) title limited to drawal of interest in guardian of a minor or a manager of the property of an insane person, and
- (b) full title in the minor or the insane person to take effect on the minor attaining the age of majority or on the insane person becoming sane.

(14) When full title to a Government security is vested under sub-rule (9)(a), (9)(c), (11) or (12) of this rule in a person, such person shall be regarded as having been granted full and unqualified powers, so far as Government and the Bank are concerned, in relation to that security.

23. *Proviso for recognition of title to Govt. securities held by managing member of Hindu joint family subject to Mitakshara Law.*—The certificate required under the proviso to Section 7 of the Act shall be a certificate signed by the District Magistrate after such inquiry (if any) as may in his opinion be necessary to determine the matters in question referred to therein.

24. *Receipt for renewal etc.*—(1) Subject to any general or special instructions of the Bank, the Public Debt Office may, by its order, on the application of the holder,

- (a) renew, sub-divide or consolidate a Government promissory note or notes provided that the note or notes has or have been received in Form VI, VII or VIII as the case may be, or
- (b) convert the note or notes into a stock certificate or stock certificates, provided that the note or notes has or have been indorsed, "Pay to the Governor General of India in Council," or
- (c) convert the note or notes into a bearer bond or bearer bonds provided that the note or notes has or have been endorsed in Form IX, or
- (d) renew, sub-divide or consolidate a stock certificate or stock certificates provided the stock certificate or stock certificates has or have been received in Form X, XI or XII, as the case may be, or
- (e) convert the stock certificate or stock certificates into a Government promissory note or notes provided the stock certificate or stock certificates has or have been received in Form XIII, or
- (f) convert the stock certificate or stock certificates into bearer bond or bonds provided the stock certificate or certificates has or have been received in Form XIV and provided the loan to which the stock certificate or stock certificates appertain, admits of issue of bearer bonds, or
- (g) renew, sub-divide or consolidate a bearer bond or bonds, or
- (h) convert the bearer bond or bonds into a stock certificate or certificates, or
- (i) convert the bearer bond or bonds into Government promissory note or notes, or
- (j) renew a prize bond, or
- (k) renew, sub-divide or consolidate a Government promissory note or notes in Form I provided the promissory note or notes has or have been received in Form XVII, XVIII, or XIX, as the case may be, or

(l) convert Government securities of one loan into those of another loan provided—

- (i) the inter-loan conversion is permissible, and
- (ii) the conditions governing such conversion are complied with, or

(m) convert the note or notes (stock certificate or stock certificates, bearer bond or bearer bonds, as the case may be) into stock to be held at the credit of the account of the holder in the Subsidiary General Ledger, provided the holder is admitted by the Public Debt Office to the facility of holding stock at credit to his account in the Subsidiary General Ledger and the note or notes (stock certificate or stock certificates) is or are received in the form as under—

“Tendered for cancellation and credit to.....(name of the holder)  
Subsidiary General Ledger Account.

Signature of the holder.....”

(n) convert stock held at the credit of the holder's account in the Subsidiary General Ledger into Government promissory note or notes, stock certificate or stock certificates or bearer bond or bearer bonds subject to compliance with such formalities as the Public Debt Office may require.

(2) Subject to any general or special instructions of the Bank, the office or the agency which issued a treasury bill may, on the application of the holder thereof renew it provided that the treasury bill has been received in Form XV.

(3) The Public Debt Office may, under any of the sub-rules of this rule, require the applicant to execute a bond in Form V with one or more sureties approved by the Public Debt Office or to furnish security not exceeding twice the value of the subject matter of the order, to be held at the disposal of the Bank, to pay to the Bank or to any person to whom the Bank may assign the bond or security in furtherance of sub-section (3) of Section 16 of the Act, the amount thereof.

25. *Discharge of a security.*—(1) When a Government security, except in the form of a treasury bill or a prize bond, becomes due for payment of principal, the security in the form of—

- (a) a Government promissory note,
- (b) stock for which stock certificates are issued,
- (c) a promissory note issued in Form I, and
- (d) bearer bond,

shall be presented at the office at which the interest on the security is payable or at the Public Debt Office of domicile and signed except in the case of a bearer bond by the holder on its reverse. In the case of bearer bonds, coupon or coupons, if any, for the half year succeeding the date of payment of the principal shall be surrendered with the bond or bonds. In the case of stock held in the Subsidiary General Ledger Account, payment of the discharge value shall be made by a pay order issued by the Public Debt Office at which the stock is registered on receipt of a prior demand by the account holder and the acquittance form duly completed by him

(2) A treasury bill shall be duly discharged by the holder on maturity and presented at the office of issue.

(3) A prize bond shall be presented for payment on maturity at the Public Debt Office or at any office referred to in Rule 10.

26. *Receipt not required on discharge etc., of a bearer bond or a prize bond.*—(1) When a bearer bond is presented for discharge, renewal, conversion, sub-division or consolidation, no receipt shall be required.

(2) When a prize bond is presented for discharge or renewal no receipt shall be required.

27. *When executant of document or maker of an endorsement is unable to write.*—(1) If any person by whom any document relating to a Government security is to be executed or by whom an endorsement is to be made on a Government promissory note, satisfies a Magistrate that he is for any reason unable to write, and that the effect of the document or endorsement is fully understood by him, and that he is the person whom he represents himself to be, such Magistrate may, at the request of that person and subject to the provisions of this rule, execute the document or sign the endorsement on his behalf.

(2) Where any such document is to be executed or an endorsement signed by a Magistrate under this rule on behalf of any person, the Magistrate shall execute the document or sign the endorsement in the presence of that person, and shall enter below his own signature a certificate to the effect that the document was executed, or the endorsement signed, as the case may be at the request of that person, after having been previously read over to the latter, and that he is satisfied that the effect of the document or the endorsement is fully understood by such person.

(3) Nothing in the above sub-rules shall preclude the Bank from acting upon the execution of a document relating to a Government security, or on an endorsement thereon in a manner otherwise than referred to above, provided the Bank is satisfied as to the genuineness and validity of the execution of the document or endorsement on the Government security.

28. *Application for grant of information.*—(1) Any person requiring information regarding a Government security in the custody of the Public Debt Office may apply to that office in writing stating the form in which the information is required.

(2) Every such application shall state with precision the particulars (namely, the number, rate of interest, loan to which it belongs and the face value) of the security and shall contain a statement of the purpose for which the information is required and of the interest of the applicant in the security. If any of the above particulars are not known to the applicant, the Bank may on application in writing being made to it, direct the Public Debt Office, at its discretion, to supply the required particular or particulars, if available, to the applicant subject to such conditions and on payment of such fees, if any, as it may prescribe.

29. *Disposal of application for grant of information or inspection.*—The following provisions shall be observed in dealing with applications under Rule 28.

(1) If the application asks for any information in respect of a security which has been renewed, converted, consolidated, sub-divided otherwise than in the name of the person who has renewed, converted, consolidated or sub-divided the security or asks for inspection of such security, or any register or book kept or maintained in the Public Debt Office in respect thereof or of any entry of such security in such register or book, the application shall be refused. The register or the book shall mean the register or the book in which the security is entered, registered or referred to.

(2) If the applicant asks for inspection or information in respect of a security which has been cancelled on payment of the amount due in respect thereof, it shall be referred to, and disposed of under the orders of the Bank.

(3) In any other case the Public Debt Office may subject to the provisions hereinafter contained, grant a certified copy of any endorsement on a security or of an entry in any register or book maintained or kept by that office relating to any security, on being satisfied that the security in question has stood in the name of the applicant, or of a person in whom the applicant has a representative interest, and further that the applicant has a *bona fide* interest in the security in respect of which the application is made :

Provided that if the security has been cancelled on payment of the amount due in respect thereof, no copy of any endorsement thereon shall be granted which purports to give a title subsequent to the termination of the applicant's interest in the security.

(4) The Public Debt Office may, under a special order of the Bank, supply any information regarding a security referred to in sub-rules (2) and (3) which is directed to be supplied by such an order.

(5) If an applicant asks for—

(a) any information from the record of the Public Debt Office or the Bank in connection with a Government security or any loan,

(b) a copy of any document from the record, and

(c) inspection of any record generally or any document or documents specifically' the application shall be referred to and disposed of subject to the provisions of sub-rule (1) of this rule under the order of the Bank.

(6) If the application relates to the grant of permission for inspection of an interest warrant or of information relating to payment of interest for a specific half year or half years the application may be granted by the Bank provided the applicant was the person to whom interest was paid.

(7) No information from any document or record in respect of the proceedings instituted by the Bank under Section 12 of the Act shall be granted by the Bank.

30. *Indemnity bond and fees in connection with grant of information or inspection.*—(1) Every applicant shall before any information is supplied or permission for inspection granted to him execute a bond of indemnity as nearly as may be in Form XX for the amount as hereinafter mentioned—

(a) the bond of indemnity for grant of information or inspection under any of the sub-rules (1) to (4) of Rule 29 shall be for twice the face value of the security or securities involved and the interest paid thereon from the date of issue, and

(b) the bond of indemnity for grant of information or of permission for inspection under sub-rules (5) and (6) of Rule 29 shall be for such amount as may be determined by the Bank.

(2) Every applicant shall before any information is supplied to him under Rule 28 or 29 pay a fee of Re. 1 for each security in respect of which any information is supplied and a fee of Re. 1 shall be paid for each certified copy granted under Rule 29.

(3) The Bank may waive the execution of a bond of indemnity or may forego the fees either wholly or partly payable to the Bank under sub-rule (2) above, or may do both.

31. *Fees.*—The following fees shall be paid in respect of applications under Section 11 of the Act, namely :—

For each renewed, converted, consolidated, sub-divided or duplicate security, 4 annas per cent. if the new security does not exceed in amount Rs. 400, and Re. 1 if the new security exceeds that sum :

Provided that no fee shall be payable—

(a) in respect of the conversion of a Government promissory note or a bearer bond into stock certificate, and

(b) in respect of the renewal of a note which bears no indorsement other than an indorsement by the Reserve Bank of India, the Imperial Bank of India (or one of the banks constituted by the Presidency Banks Act, 1876), the Controller of the Currency, his Deputy or Assistant, or an Accountant General, his Deputy or Assistant, or an Assistant Accounts Officer, Posts and Telegraphs, and the renewal indorsement, when such renewal is required only on account of there being no further space on the note in which to record payment or encasement for payment of interest.

32. The Indian Securities Rules, 1935, shall cease to apply to those Central Government securities to which the Act and these rules apply.

THE SCHEDULE

[See Rule 2 (5)]

FORM I

(See Rule 6)

*Form of Special Notes Issued to Rulers of States in India*

	Government	per cent	loan of Rs.
at		per cent. of (name of Loan)	Public Debt Office

The Governor General of India in Council hereby promises to pay to\*  
 , or his successor the of , for the  
 time being, at the General Treasury at Fort William on (here state the date of discharge of the  
 loan) Rupees and to pay to  
 the said and his successors of  
 for the time being, at the General Treasury above mentioned  
 interest on such sum from the to the date on which the same shall become  
 payable as aforesaid at the rate of per cent. per annum such interest to be paid  
 by equal half-yearly payments on the and on the in every year  
 Provided always that the said principal sum of Rupees or any part thereof and  
 the right to receive the same and the interest thereon as aforesaid may at any time be transferred  
 absolutely by the for the time being entitled to receive the interest thereon and  
 the Governor General of India in Council hereby agrees on surrender of this special note to issue  
 to the said or any of His Successors of , for the time being and  
 holder of this note, promissory notes of the per cent. Loan of in the  
 usual form for the whole or part of the said principal sum according to the request of the  
 making the surrender and to any transferee or transferees under the power  
 aforesaid, promissory notes of the same loan in the usual form for the amount transferred.  
 and to the said a special note in this form for any balance thereof not represented  
 by the notes so issued. Rs. dated the  
 day of No. 19

Manager,  
 Reserve Bank of India,  
 Public Debt Office.

Governor,  
 Reserve Bank of India.

\*Here mention the exact designation of the Ruler.

FORM II

(See Rule 7)

*Form of Transfer*

I/We  
 do hereby assign and transfer my/our interest or share in the Inscribed stock of the  
 per cent. Government Loan of amounting to Rs. being the  
 amount/a portion of the stock for Rs. as specified on the face of this ins-  
 trument together with the accrued interest thereon unto  
 his/her/their executors, administrators or assigns, and I/we  
 do freely accept the above stock transferred to me/us.  
 As witness our hand the day of One thousand nine hundred  
 and

Signed by the above-named Transferor in the presence of\* .  
 \_\_\_\_\_ Seller ]  
 Signed by the above-named Transferee in the presence of\*  
 \_\_\_\_\_ (Buyer).  
 Address

\*Signature, occupation and address of witness.

## FORM III

(See Rule 7)

*Form of Transfer for Operating on S. G. L. Account*

I/We do hereby assign  
 and transfer my/our interest or share in the Subsidiary Ledger Account No. of  
 the per cent. Government Loan of  
 amounting to Rs. being the entire balance/portion outstanding  
 at the credit of the aforesaid Account for Rs. as registered in the books  
 of the Reserve Bank of India, Public Debt Office at together with  
 accrued interest thereon unto his/their administra-  
 tors or assigns and I/We  
 do freely accept the above amount transferred to me/us.

As witness our hand the  
 One thousand nine hundred and

day of

Signed by the above-  
 named Transferor in the presence of\*

(Seller)

Signed by the above named Transferee.  
 the presence of\*

in the

(Buyer.)

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\* Signature, occupation and address of witnesses.





FORM V  
(See Rule 22)  
Security Bond

This Agreement is made on the \_\_\_\_\_ day of \_\_\_\_\_ Between  
resident of \_\_\_\_\_ son of \_\_\_\_\_ of the  
one part and the Reserve Bank of India of the other part.

Whereas I/we *am/are* the true and lawful owner/s of the Government securities specified  
represent  
in the Schedule "A" hereto annexed.

And whereas I/we have applied to the Reserve Bank of India, Public Debt Office,  
for \_\_\_\_\_ of the said Government secu-  
rities and the said Bank have consented so to do upon my/our giving security of Rs.  
to meet a claim by a rightful owner to the said securities in case there shall be such a claim.

Now these Presents witness that in pursuance of the aforesaid agreement I/we hereby  
oblige myself/ourselves to make good the claim of the rightful owner in respect of the said  
securities and I/we hereby further agree that this bond may be held by the said Bank and  
the said Bank may assign the Bond to the rightful owner of the said securities.

In witness whereof I/we have subscribed my/our name/names \_\_\_\_\_ day  
of \_\_\_\_\_ Signed by the within  
mentioned in the  
presence of \_\_\_\_\_

Principal

I/we \_\_\_\_\_ son of \_\_\_\_\_  
resident of \_\_\_\_\_  
hereby undertake to make good any claim to the rightful owner of the Government securities  
mentioned in the schedule hereto in case the principal/principals makes/make default in pay-  
ment of the claim by virtue of the above agreement.

Signed by the within  
mentioned in the  
presence of \_\_\_\_\_

Surety.

Schedule "A" Referred to in the Bond.

Nature and description of the security	Number	Date of issue	Amount

FORM VI  
(See Rule 24)

Form of Indorsement for renewal of a Promissory Note.

Received in lieu hereof a renewed note payable to (name of holder), with interest payable at  
Treasury.

Signature of the holder/duly authorised repr sentative of (name of holder).....  
.....

FORM VII  
(See Rule 24)

Form of indorsement for Sub-division of a Promissory Note

Received in lieu hereof \_\_\_\_\_ notes for  
Rs. \_\_\_\_\_ [respectively, payable to (name of holder), with interest payable  
at \_\_\_\_\_ Treasury.

Signature of the holder/duly authorised representative of (name of holder) ?

## FORM VIII

(See Rule 24)

*Form of Indorsement for Consolidation of Promissory Notes*

Received in lieu hereof a new note payable to (name of holder) for Ra. \_\_\_\_\_  
 by consolidation with promissory note or notes Nos. \_\_\_\_\_ (mentioning  
 the numbers and amounts of the other notes desired to be consolidated with it and specify  
 ing the loan) with interest payable at \_\_\_\_\_ Treasury.

Signature of the holder/duly authorized representative of (name of holder).....

.....

## FORM IX

(See Rule 24)

*Form of Indorsement for Conversion of Promissory Notes into Bearer Bonds.*

Received in lieu hereof and of notes numbers \_\_\_\_\_ in the loan of  
 of the value of \_\_\_\_\_ Ra.  
 a bearer bond (or bonds) of Rs. \_\_\_\_\_ each  
 amounting to Ra. \_\_\_\_\_  
 Treasury. \_\_\_\_\_ with interest payable at \_\_\_\_\_

Signature of the holder/duly authorized representative of (name of holder).....

.....

## FORM X

(See Rule 24)

*Form of Indorsement of the renewal of a Stock Certificate*

Received in lieu here of a renewed stock certificate of the \_\_\_\_\_ per cent.  
 loan of \_\_\_\_\_ for Ra. \_\_\_\_\_ in the name of  
 with interest payable at \_\_\_\_\_ Treasury.

Signature of the registered holder/duly authorized representative of (name of registered  
 holder).....

## FORM XI

(See Rule 24)

*Form of Indorsement for Sub-Division of a Stock Certificate*

Received in lieu of this stock certificate, \_\_\_\_\_ stock  
 certificates for Ra. \_\_\_\_\_ respectively of the  
 per cent. loan of \_\_\_\_\_ with interest payable at \_\_\_\_\_  
 Treasury.

Signature of the registered holder/duly authorized representative of (name of registered  
 holder).....

## FORM XII

(See Rule 24)

*Form of Indorsement for Consolidation of Stock Certificates.*

Received in lieu of stock certificates Nos. \_\_\_\_\_ for Ra. \_\_\_\_\_  
 respectively of the \_\_\_\_\_ per cent. loan of \_\_\_\_\_  
 stock certificate for Ra. \_\_\_\_\_ of the \_\_\_\_\_ per cent. Loans  
 of \_\_\_\_\_ with interest payable at \_\_\_\_\_ Treasury.

Signature of the registered holder/duly authorized representative of (name of registered  
 holder).....

## FORM XIII

(See Rule 24)

*Form of Indorsement for Conversion of Stock Certificates into Promissory Notes*

Received in lieu of this certificate \_\_\_\_\_ promissory notes of  
 Ra. \_\_\_\_\_ each (together with a new stock certificate for the balance  
 amounting to Ra. \_\_\_\_\_) with interest payable at \_\_\_\_\_ Treasury.

Signature of the registered holder/duly authorized representative of (name of registered  
 holder).....

FORM XIV

(See Rule 24)

*Form of Indorsement for Conversion of Stock Certificates into Bearer Bonds*  
 Received in lieu of this stock certificate, bearer bonds of Rs.  
 each (together with a new stock certificate for the balance  
 amounting to Rs. ) with interest payable at  
 Treasury.

Signature of the registered holder/duly authorised representative of (name of registered older) .....

FORM XV

(See Rule 24)

*Form of Indorsement of the Renewal of a Treasury Bill.*

Received in lieu hereof a renewed Treasury Bill for Rs. payable to

Signature of the holder/duly authorised representative of (name of holder)

FORM XVI

(See Rule 7)

*Form of Indorsement for conversion of a Note in the Special Form into a Promissory Note in the Ordinary Form by a transferee.*

Received in lieu hereof a Promissory Note/s in the ordinary form of the per  
 cent. loan of for Rs. in the name of  
 (name of transferee) with interest payable at  
 Treasury.

Signature of the transferee/duly authorised representative of (name of transferee).....

FORM XVII

(See Rule 24)

*Form of Indorsement for Renewal of a Special Note.*

Received in lieu hereof a renewed note in the special form of the per  
 cent. loan of for Rs. payable to  
 (here mention the correct designation of the Ruler without mention of his  
 personal name) or his successors for the time being with interest payable at  
 Treasury.

Signature of the holder/duly authorised representative of (name of holder).....

FORM XVIII

(See Rule 24)

*Form of Indorsement for Sub-Division of a Special Note*

Received in lieu of this special note, notes in the special form for  
 Rs. respectively of the per  
 cent. loan of payable to  
 (here mention the correct designation of the Ruler without mention of his personal name) or  
 his successors for the time being with interest payable at Treasury

Signature of the holder/duly authorised representative of (name of holder).....

FORM XIX

(See Rule 24)

*Form of Indorsement for Consolidation of Special Notes*

Received in lieu hereof a new note in the special form for Rs. of  
 the per cent. loan of payable  
 to (here mention the correct designation of the Ruler  
 without mention of his personal name) or his successors for the time being by consolidation  
 with note or notes in the special form Nos. (mentioning the  
 numbers and amounts of the other notes, desired to be consolidated with it and specifying  
 the loan) with interest payable at Treasury.

Signature of the holder/duly authorised representative of (name of holder).....

## FORM XX

(See Rule 30)

## Form of Indemnity Bond.

Whereas I/we  
resident at  
(and  
son of  
resident at

son of

claim to be entitled (Here state in what capacity claim to the notes is made.)  
to the G. P. Note (s) and/or security (ies) specified in the schedule hereunder written and have  
represented to the Reserve Bank of India, Public Debt Office,  
that the said G. P. Note (s) and/or security (ies) has/have been

and have applied to the Reserve  
Bank of India, Public Debt Office, for an inspection of the  
said note (s) and/or security (ies) and also for all other information and particulars respecting  
the said note(s) and/or security(ies) and whereas the Reserve Bank of India, Public Debt  
Office, has agreed to give inspection and to afford to  
me/us all information and particulars affecting the said note(s) and/or security(ies), I/we oblige  
myself/ourselves my/our heirs and assigns whatsoever

(To be omitted if bond taken from one person only.)

(jointly and severally) to guarantee and defend and relieve the Reserve Bank of India, Public  
Debt Office, and the Central Government to the extent of  
Rs. \* from all and any claim, question and expenses  
which may be raised against or incurred by the Reserve Bank of India, Public Debt Office,  
or the Central Government in reference to the said note(s) and/or  
security (ies).

In witness hereof I/we have subscribed my/our name (s) this day  
of

Signed by the within mentioned in the presence of

Applicant's Signature.

The Schedule referred to in the foregoing Bond.

M. V. RANGACHARI, Dy. Secy.

\*Double the amount of the notes and interest paid thereon since the respective dates of  
issue.

THE HONOURABLE MR. GHAZANFAR ALI KHAN (for the Honourable Mr  
Abdur Rab Nishtar) : Sir, I lay on the table a statement showing the objects on  
which the aviation share of the Petrol Tax Fund was expended during the year  
1945-46.

Statement showing the objects on which expenditure was incurred during the year 1945-46 from the  
Aviation Share of Petrol Tax Fund.

Objects	Expenditure
	Ra.
<i>Clubs—</i>	
Grants-in-aid to Flying Clubs in India . . . . .	57,250
Financial assistance to the Indian Gliding Association . . . . .	3,000
<i>Training—</i>	
Operations and maintenance of wind Tunnel, etc. at the Indian Ins- titute of Science, Bangalore, for carrying out certain tests on air- craft . . . . .	13,788
Training of Pilots in Transport flying . . . . .	16,984
<i>Miscellaneous—</i>	
Emergency equipment for removing disabled aircraft of heavy type, carry forward of expenditure from last year. . . . .	3,910
<b>Total.</b>	<b>94,882</b>

THE HONOURABLE MR. GHAZANFAR ALI KHAN (Health Member): Sir, I lay on the table a copy of the following Notifications making certain further amendments to the Indian Aircraft rules, 1937, under sub-section (3) of section 5 of the Indian Aircraft Act, 1934 :—

(i) Posts and Air Department Notification No. 10-M (A)/7-46, dated the 16th April, 1946.

(ii) Posts and Air Department Notification No. 11-M (A)/1-46-III, dated the 17th August, 1946.

(iii) Communications Department Notification No. 10-M (A)/26-46-I., dated the 18th September, 1946.

(iv) Communications Department Notification No. 10-M (A)/26-46-IV, dated the 18th September, 1946.

(v) Communications Department Notification No. 10 M-(A)/27-46, dated the 23rd September, 1946.

(vi) Communications Department Notification No. 10-M (A)/17-46, dated the 26th September, 1946.

*Copy of the Notification No. 10-M(A)/7-46, dated the 16th April, 1946.*

No. 10 M(A)/7-46—In exercise of the powers conferred by section 5 of the Indian Aircraft Act, 1934 (XXII of 1934), the Central Government is pleased to direct that, with effect from the 15th May, 1946, the following further amendment shall be made in the Indian Aircraft Rules, 1937, namely :—

For Section B of Schedule V to the said Rules, the following Section shall be substituted namely :—

*"Section B. Tariff of landing and housing charges at Government Aerodromes.*

(See rule 82)

1. The charges for landing and housing of aircraft, other than airships, at Government aerodromes shall be as follows :—

Type of Aircraft Class	Total Weight	Landing Charges for single landing Rs.	Housing Charges (excluding landing charges)		
			Up to 24 hrs. Rs.	Monthly rate Rs.	Quarterly rate Rs.
A	Up to 2500 lbs.	1	2	40	80
B	2501—7500 lbs.	5	10	200	400
C	7501—15000 lbs.	10	25	500	1,000
D	15001—25000 lbs.	25	40	800	1,600
E	25001—50000 lbs.	50	60	1,200	2,400
F	50001—100000 lbs.	150	100	2,000	4,000
G	100001— 200000 lbs.	300	200	4,000	8,000
H	Above 200000 lbs.	750	300	6,000	12,000

2. For purposes of assessing landing and/or housing charges, the total weight of an aircraft shall be the maximum permissible weight as specified under the regulations of the State in which the aircraft is registered.

3. The payment of the landing charge shall entitle aircraft to (i) the use of the aerodrome for alighting and departure, (ii) the use of radio and night lighting installations at the aerodrome, (iii) the supply of all available information as to routes and weather conditions, and, (iv) the services of the aerodrome personnel, if available, for manual assistance in guiding, housing or picketting the aircraft.

4. Any flight during the hours of daylight of which prior notice is given to the Aerodrome Officer and which is undertaken solely for the purpose of ascertaining the serviceability in the air of the aircraft and its equipment, shall be deemed to be a test flight and shall be exempt from the levy of a landing charge.

5. When an aerodrome is used during the hours of daylight for repeated landings, a daily charge equivalent to five times the charge for a single landing for the class of aircraft concerned shall be levied in respect of each aircraft.

6. 50 per cent. of the standard housing charges at daily, monthly or quarterly rates shall be charged for aircraft parked in the open. The daily parking charge will be levied for any period exceeding 12 hours, upto 24 hours and thereafter per completed periods of 24 hours.

7. The charges will be due for payment at the times stated below :—

- |  |  |
|--|--|
| (i) Landing charges . . . . .  | At the time of using the aerodrome, or, in the case of approved regular user, on demand at the end of each calendar month in respect of charges accruing in the month. |
| (ii) Charges for housing or parking at daily rates . . . . .                 | Ditto  |
| (iii) Charges for housing or parking at monthly or quarterly rates . . . . . | In advance, at the beginning of the month or quarter. If not so paid, charges will be recovered at daily rates.  |

8. When housing space which has been paid for in advance is not used, the space may be used for the housing of other aircraft and no refund shall be made to the lessee unless he is prevented by the housing of other aircraft from obtaining accommodation for his aircraft.

9. No housing charge shall be levied in respect of an aircraft housed in a Government hanger for the purpose of inspection by a Government Aircraft Inspector during the period certified as necessary for the inspection by the Aircraft Inspector, including such period not exceeding 3 days after the conclusion of the actual inspection as may be necessary for re-assembly consequent on the inspection."

## DEPARTMENT OF POSTS AND AIR

### NOTIFICATION

*New Delhi, the 17th August 1946*

*No. 11-M(A)/1-46III.*—In exercise of the powers conferred by section 5 of the Indian Aircraft Act, 1934 (XXII of 1934), the Central Government is pleased to direct that the following further amendments shall be made in the Indian Aircraft Rules, 1937, namely :—

I. In the said Rules,—

(A) sub-rule (5) of rule 135 shall be renumbered as sub-rule (6), and before sub-rule (6), as so renumbered, the following sub-rule shall be inserted, namely :—

“(5) The Central Government may by general or special order appoint—

- (i) an officer of the Civil Aviation Directorate to perform the duties of the Deputy Chairman and
- (ii) a deputy to each Member to perform the duties of that Member,

at any meeting of the Board which the Deputy Chairman or that Member is unable to attend.”

(b) after rule 135 the following rules shall be inserted, namely :—

135A. *Officers of the Board.*—(1) The Central Government may appoint a Secretary and so many and such other officers as shall be found necessary for the due discharge of all powers and authorities conferred on the Board.

(2) During the temporary absence of the Secretary, the Board may require any officer of the Board or of the Civil Aviation Directorate to act as Secretary for the time being and perform all such functions as are assigned to him.

135B. *Seat of the Board.*—The Board shall sit at New Delhi or at such other places as the Chairman may, with the approval of the Central Government, appoint.

135C. *Procedure of the Board.*—(1) The Board may meet for the dispatch of business, sit in public or in private, adjourn, direct generally or from time to time the manner in which any notice required to be issued under these rules shall be served, and otherwise regulate its proceedings and business as it may think fit.

(2) In particular and without prejudice to the generality of the powers conferred by sub-rule (1), the Board may—

- (a) make standing orders for the regulation of its business and vary or revoke any such order
- (b) delegate to the Chairman, Deputy Chairman, Member, Secretary, or other officer of the Board or any special examiner appointed by the Board any of its functions other than those under rules 136, 139, 141, 144, 145, 146, 148 and 151 and such of its functions as are in the opinion of the Board in the nature of preliminary investigation or action, including the taking down of evidence, inspection of documents and local inspection ;

(c) admit in evidence any report made by the person to whom powers are delegated as aforesaid and generally admit or reject in its discretion any evidence, oral or documentary, which may be tendered before it.

135D. *Quorum*.—The quorum for any meeting of the Board shall be three of whom one shall be the Chairman or the Deputy Chairman.

135E. *Decision by majority and casting vote*.—Questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman or if he be absent the Deputy Chairman shall have a second or casting vote.

135F. *Seal of the Board*.—(1) The Board shall have and use as required a seal and the seal shall be delivered to and kept in the custody of the Secretary.

(2) All licences and final orders of the Board shall be expressed to be made by the Air Transport Licensing Board, shall be sealed with the seal of the Board, signed by the Secretary and countersigned by the Chairman or the Deputy Chairman, and, when so sealed and signed, shall be conclusive evidence that the licence was duly granted or the order duly made.

(3) All notices, advertisements and other documents may be signed by the Secretary."

In sub-rule (2) of rule 136, after the words "cause to be inspected" insert "by the Chairman, the Deputy Chairman or any one or more members of the Board or any other person authorized by the Board in that behalf."

II. In Schedule VI to the said Rules :—

(a) after entry 18, the following entry shall be inserted in the first and second column and included within the third bracket in the third column, namely :—

"18A. *Air Transport Service*.—Contravention of the rule relating to licensing of an air transport service .....134".

(b) in entry 22, for the words "in the foregoing items" the words "elsewhere in this Schedule" shall be substituted.

(c) after entry 22 the following entries shall be inserted and bracketed together in the third column :—

"23. Contravention of the rules relating to the custody, production and surrender of licences	152	} Fine not exceeding Rs. 1,000"
24. Contravention of the rules relating to submission of periodical returns and particulars of information.	155	

## DEPARTMENT OF COMMUNICATIONS

### NOTIFICATION

*Dated New Delhi, the 18th September, 1946*

*No. 10-M(A)/26-46-I*.—In exercise of the powers conferred by section 5 of the Indian Aircraft Act, 1934 (XXII of 1934), the Central Government is pleased to direct that the following further amendment shall be made in the Indian Aircraft Rules, 1937, namely :—

In the said Rules, for rule 33 the following rule shall be substituted, namely :—

"33. *Change in ownership*.—In the event of any change in the ownership of a registered aircraft, or if a registered aircraft ceases to be owned wholly either by persons or by a company or corporation fulfilling the conditions set out in rule 30, then—

(1) the registered owner of the aircraft shall forthwith notify the Director General of Civil Aviation in India of such change of ownership or, as the case may be, that the aircraft has ceased to be so owned as aforesaid ; and

(2) the registration and the certificate thereof shall lapse as from the date of such change of ownership, or the date on which the aircraft ceased to be so owned."

## DEPARTMENT OF COMMUNICATIONS

### NOTIFICATION

*Dated New Delhi, the 18th September, 1946*

*No. 10-M(A)/26-46IV*.—In exercise of the powers conferred by section 5 of the Indian Aircraft Act, 1934 (XXII of 1934), the Central Government is pleased to direct that the following further amendment shall be made in the Indian Aircraft Rules, 1937, namely :—

In the said Rules, rule 12A shall be omitted.

STATEMENTS ETC., LIAD ON THE TABLE

DEPARTMENT OF COMMUNICATIONS

NOTIFICATION

New Delhi, the 23rd September, 1946

No. 10-M(A)/27-46.—In exercise of the powers conferred by section 5 and sub-section (2) of section 8 of the Indian Aircraft Act, 1934 (XXII of 1934), the Central Government is pleased to direct that the following further amendment shall be made in the Indian Aircraft Rules, 1937 namely :—

For rule 133A of the said Rules, the following rule shall be substituted, namely :—

“133A.—The Flying Control Regulations and Communications Procedure, as may from time to time be prescribed by Air Headquarters, India, or the Director General of Civil Aviation in India, and promulgated by the Said Director General in Notices to Airmen, shall, with effect from the 1st October 1946, apply to all civil aircraft being in or over British India, and shall have effect notwithstanding anything inconsistent therewith contained in the preceding parts of these rules”.

DEPARTMENT OF COMMUNICATIONS

NOTIFICATION

New Delhi, the 26th September, 1946

No. 11-M(A)/17-46.—In exercise of the powers conferred by section 5 of the Indian Aircraft Act, 1934 (XXII of 1934), the Central Government is pleased to direct that the following further amendments shall be made in the Indian Aircraft Rules, 1937, namely :—

In the said Rules,—

(1) In rule 135—

(a) For Sub-rule (2), the following sub-rule shall be substituted, namely :—

“(2) The Board shall consist of a Chairman and not less than two, and not more than four other Members all of whom shall be appointed by the Central Government. The Chairman shall be a person who is, or has been, a judge of a High Court in British India. One of the other members shall be appointed in consultation with the Crown Representative and the other member or members shall be persons with high judicial, legal or administrative experience.”

(b) For sub-rule (4) and sub-rule (5) the following sub-rules shall be substituted respectively namely :—

“(4) During the temporary absence of the Chairman or other Member of the Board, the Central Government may, if it thinks fit, appoint a person to be a temporary Chairman or Member for the period of such absence.”

“(5) During any temporary absence of the Chairman for which a temporary Chairman has not been appointed under sub-rule (4), the duties of his office shall be performed by such one of the other Members of the Board as may be nominated in this behalf by the Chairman”

(2) After rule 135A, the following rule shall be inserted namely :—

“135AA. Advisers to the Board. (1) The Central Government may appoint as Advisers to the Board—

(i) The Director General,

(ii) a person with special knowledge of aviation or air transport, and

(iii) a person with special experience of financial matters :

(2) The Board may call upon any Adviser appointed under sub-rule (1) to express his views on any matter before it, and when so called upon, the Adviser may take part in the proceedings of the Board, but shall not be entitled to vote.”

(3) In clause (b) of sub rule (2) of rule 135C, the words “Deputy Chairman” shall be omitted

(4) Rule 135D shall be omitted.

(5) In rule 135E, the words “or if he be absent the Deputy Chairman” shall be omitted.

(6) In sub-rule (2) of rule 135F the words “or the Deputy Chairman” shall be omitted.

(7) In sub-rule (2) of rule 136, the words “the Deputy Chairman” shall be omitted.

(8) After sub-rule (2) of rule 137, the following sub-rule shall be inserted, namely :—

“(3) All applications received by the Director General shall be examined and investigated by him and shall be forwarded by him with a report thereon to the Board at least ten days before the date fixed for the consideration of the application.”

(9) Rule 139 shall be re-numbered as sub-rule (1) of that rule and in sub-rule (1) as so re-numbered the words “through the Director General” shall be omitted, and for the words “forwarded to the Director General” the words “attached to the representation” shall be substituted.



After sub-rule (1) the following sub-rule shall be inserted namely :—

“(2) The Director General shall have the right to make a representation against any application for licence but will not be required to pay any fees prescribed in rule 154.”

(10) After rule 148, the following rules shall be inserted namely :—

“148A. Review by the Board.—(1) The Board shall, subject to the provisions of Rule 148, have no power to review its order granting a licence.

(2) An order of the Board refusing a licence may be reviewed by the Board—

(i) if a license has not already been granted to operate a service on the route involved, or  
(ii) if such a license has been granted but in the opinion of the Board the traffic potential on the route involved admits of the grant of a license to the applicant for review also.

(3) The Board may review any order of suspension or revocation made by it under rule 148.

(4) A review under sub-rule (2) or sub-rule (3) shall be made only—

(a) on the ground of some mistake or error apparent on the face of the record, or

(b) upon the discovery of any new and important matter or evidence which, notwithstanding the exercise of due diligence, was not within the knowledge of the applicant or could not be produced by him at the time when the order sought to be reviewed was made.

(5) Any other order or decision of the Board, not being an order granting, refusing, suspending or revoking a licence, may be reviewed by the Board if it thinks fit.

(6) A fee of Rs. 500/- shall be paid in respect of every application for review of an order refusing, suspending or revoking a licence. The Board however may, if it allows an application for review on the sole ground that there was an error or mistake apparent on the face of the record order a refund of a part of the fee to the applicant.

(7) An application for review of any order or decision required to be published under rule 149 shall not be entertained unless filed within 60 days of the publication of such order or decision in the Gazette of India : provided that such an application may be admitted after the said period if the applicant satisfied the Board he had sufficient cause for not making the application within that period.

(8) No order or decision of the Board shall be modified or reversed on review except by unanimous decision of the full Board.

148B. *Correction of accidental mistakes.*—The Board may, at any time, whether of its own motion or on application by any party, correct clerical or arithmetical mistakes in any of its orders or any errors arising therein from any accidental slip or omission.”

(11) In rule 155—

(a) In sub-rule (1) and in clauses (a) and (b) after the words “the Director General” the words “and the Board” shall be inserted and the words “by him” occurring after the word “prescribed” shall be omitted.

(b) In sub-rule (2) the words “by the Director General” shall be omitted.

#### INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE.

THE HONOURABLE MR. C. H. BHABHA (for the Honourable Shri Rajendra Prasad) : Sir, on behalf of my colleague, I lay on the table the further information promised in reply to question No. 279 asked by the Honourable Raja Charanjit Singh on the 11th April, 1946.

#### DETERIORATION OF FOODGRAINS

Enquiry from the Government of Bengal indicates that the first and second allegations are not correct. It is not possible to say to what transaction the third allegation refers.

THE HONOURABLE SARDAR BALDEV SINGH (Defence Member) : Sir, I lay on the table the information promised in reply to question No. 307 asked by the Honourable Mr. Surput Singh on the 18th April, 1946.

#### COMPENSATION TO OWNERS OF REQUISITIONED HOUSES.

The main reason for limiting the amount of advances to 50 percent of Collector's assessment of compensation in the district of Calcutta, the 24-Parganas and Howrah as against 80 percent in the rest of Bengal was that claims in these three districts involved controversial matters affecting very large sums of money. It was therefore as a safeguard against over-payment by the Collector that the advance was limited to 50 percent in these areas. In practice, however the limit was relaxed to prevent hardship in deserving cases and the Collector advanced rent up to 80 per cent. of his assessment with the prior approval of Government. Moreover, in September last, when most of the complicated cases had been disposed of the limit was raised again to 80 per cent. and thus brought to the same level as the rest of Bengal.

THE HONOURABLE MR. A. V. PAI (Commonwealth Relations Secretary): Sir, I lay on the table the Reports on the work of the Indian Delegation to the Preparatory Commission and the First Part of the First Session of the General Assembly of the United Nations, 1945-46.

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE

THE HONOURABLE MR. A. V. PAI: (Commonwealth Relations Secretary): Sir I lay on the table information promised in reply to a supplementary question No. 32 asked by the Honourable Raja Yuveraj Dutta Singh on the 19th February, 1946.

INVALIDATION OF JAPANESE CURRENCY

No compensation for losses resulting from repudiation of Japanese currency has been paid to Britishers in Burma.

THE HONOURABLE MR. A. V. PAI (Commonwealth Relations Secretary): Sir, I lay on the table the information promised in reply to a supplementary question asked by the Honourable Pandit Hirday Nath Kunzru to question No. 60 on the 19th February, 1946.

WHEREABOUTS OF INDIANS SENT BY THE JAPANESE TO THE PACIFIC ISLANDS

The Representative of the Government of India in Malaya has ascertained from ALFSEA that they have no information regarding the number of Indian labourers sent by the Japanese for work in the various Pacific Islands and Siam.

THE HONOURABLE MR. A. V. PAI (Commonwealth Relations Secretary): Sir, I lay on the table the information promised in reply to question No. 319 asked by the Honourable Pandit Hirday Nath Kunzru on the 18th April, 1946.

PROSECUTION OF INDIANS IN HONG KONG, ETC.

There are no Indians in French Indo-China, Siam, Java or Sumatra who are being prosecuted merely for having collaborated with the Japanese during the war.

STATEMENTS, ETC., LAID ON THE TABLE

THE HONOURABLE MR. D. D. WARREN (Transport and Railways Secretary): Sir, I lay on the table under sub-section (3) of section 133 of the Motor Vehicles Act, 1939—

(i) a copy of the Motor Vehicles (Third Party Insurance) Rules, 1946, published with the Notification of the Government of India in the War Transport Department, No. 37-TP (8)/46, dated the 24th April, 1946, and

(ii) a copy of the Notification by the Chief Commissioner of Coorg, No. 254-R. F. 95/45, dated the 7th August, 1946, relating to certain amendments of the Coorg Motor Vehicle Rules, 1940.

WAR TRANSPORT DEPARTMENT

NOTIFICATION

*New Delhi, the 24th April 1946*

No. 37-TP(8)/46.—In exercise of the powers conferred by section 111 of the Motor Vehicles Act, 1939 (IV of 1939), read with section 22 of the General Clauses Act, 1897 (X of 1897), the Central Government is pleased to make the following rules, the same having been previously published as required by section 133 of the first mentioned Act, namely:—

*Rules*

PART I

1. *Short title.*—These rules may be called the Motor Vehicles (Third Party Insurance) Rules 1946.

2. *Commencement.*—These rules shall come into force on 1st July 1946.

3. *Definitions.*—In these rules.

(i) "the Act" means the Motor Vehicles Act 1939.

(ii) "Insurer" means an authorised insurer as defined in Section 93(a) of the Act.

(iii) "Policy" means a policy of insurance in respect of third party risks, arising out of the use of motor vehicles, such as complies with the requirements of Chapter VIII of the Act, and includes unless the context requires otherwise a cover note.

4. *Certificates of insurance.*—An insurer shall issue to every holder of a policy other than a cover note issued by the insurer :—

(a) in the case of a policy relating to a specified vehicle or to specified vehicles a certificate of insurance in Form A set out in the schedule to these rules in respect of each such vehicle.

(b) in the case of a policy not relating to any specified vehicle or vehicles such number of certificates in Form A set out in the schedule to these rules as may be necessary to enable compliance with the requirements of Section 106 of the Act and of these rules as to the production of evidence that a motor vehicle is not being driven in contravention of Section 94 of the Act.

5. *Cover Notes.*—Every policy in the form of a cover note issued by an insurer shall be in or to the effect of Form B set out in the schedule to these rules.

6. *Issue of certificates and cover notes.*—(1) Every certificate of insurance or cover note issued by an insurer in compliance with these rules shall be duly authenticated by or on behalf of the insurer by whom it is issued.

(2) The certificate of insurance aforesaid shall be issued.

(a) in the case of policies which are in force on 1st July, 1946, on or before that date ;

(b) in any other case on or before the date on which the policy is issued or renewed.

This sub-rule shall not apply to certificates of insurance issued in pursuance of the provision\* of rule 8 of these rules.

7. *Exclusion of advertising matter.*—No certificate of insurance or cover note issued in pursuance of Chapter VIII of the Act and of these Rules shall contain any advertising matter either on the face or on the back thereof ;

Provided that the name and address of the insurer by whom a certificate is issued, or a reproduction of the seal of the insurer, or any monogram or similar device of the insurer or the name and address of an insurance agent or broker shall not be deemed to be advertising matter for the purposes of this Rule if it is printed or stamped at the foot or on the back of such certificate or cover note.

8. *Certificates or cover notes lost or destroyed.*—(1) Where the holder of a policy

(a) lodges with an insurer a declaration in which he declares that a certificate of insurance or cover note issued to him by such insurer has been lost or destroyed and sets out full particulars of the circumstances connected with the loss or destruction of the certificate or cover note and the efforts made to find it ;

(b) or returns to the insurer the certificate of insurance or cover note issued to him by such insurer in a defaced or mutilated condition ; and

(c) pays to the insurer a fee of Rs. 3 in respect of each such certificate or cover note ; the insurer shall, if reasonably satisfied that such certificate or cover note has been lost and that all reasonable efforts have been made to find it, or that it has been destroyed or is defaced or mutilated as the case may be, issue in lieu thereof another certificate of insurance or cover note which shall be plainly endorsed to the effect that it is a duplicate certificate or cover note as the case may be issued in place of the original.

(2) When a fresh certificate or cover note has been issued in accordance with the provisions of sub-rule (1) on representation that a certificate or cover note has been lost, and the original certificate or cover note is afterwards found by the holder, it shall be delivered to the insurer.

9. *Surrender of certificate or cover note.*—Every certificate of insurance or cover note surrendered to the insurer in pursuance of the provisions of section 104(1) of the Act shall be defaced or destroyed by the insurer forthwith after making a record of such defacement or destruction in the records maintained in pursuance of rule 11 of these rules.

10. *Cancellation or suspension of certificate or cover note.*—When a policy of insurance or cover note is cancelled or suspended by an insurer, the insurer shall forthwith inform the policy holder of such cancellation or suspension, by post to the latest address of the policy holder recorded in the records of the insurer.

11. *Records to be maintained by insurers.*—Every insurer shall keep a record of the following particulars in respect of every policy issued by him which is in force and of every other policy issued by him during the preceding five years :—

(i) Full name and address of the person to whom the policy is issued.

(ii) In the case of a policy relating to a specified motor vehicle or vehicles the registration mark and the number of each such vehicle and in other cases description of the vehicles covered.

(iii) The date on which the policy comes, or came into force and the date on which it expires or expired.

(iv) The conditions subject to which the persons or classes of persons specified in the policy will be indemnified.

(v) The number and date of issue of every certificate of insurance or cover note issued in connection with the policy.

(vi) The date, if any, on which any certificate of insurance or cover note issued in connection with the policy was surrendered or cancelled.

(vii) The date, if any, on which, and the reasons for which the policy was terminated or suspended by any means before its expiry by efflux of time.

12. *Exemption under Section 94(2) of the Act.*—(1) In the case of a motor vehicle owned by any of the authorities specified in sub-section (2) of section 94 of the Act, a certificate in Form C set out in the schedule to these rules signed by a person authorised in that behalf by such authority may be produced in evidence that the motor vehicle is not being driven in contravention of section 94 of the Act.

(2) Any certificate issued in accordance with sub-rule (1) of this Rule shall be destroyed by the person by whom it was issued before the motor vehicle to which it relates is sold or otherwise disposed of.

13. *Records of exempted vehicles.*—Every authority referred to in sub-section (2) of section 94 of the Act shall keep a record of the motor vehicles owned by it in respect of which a policy has not been obtained, and of any certificates issued by it under these provisions in respect of such vehicles and of the names and addresses of the persons to whom such certificates have been issued by it, and of the withdrawal or destruction of any such certificates.

14. *Supply of information.*—Any person, authority or insurer required by these rules to keep records of documents shall furnish without charge to the Central Government or a Provincial Government or to any police officer authorised in this behalf by the Provincial Government on request, any particulars thereof.

15. *Fee for production of information.*—The fee to be paid in return for the production of information by a Registering Authority or the officer in charge of a police station under Section 109 of the Act shall be Re. 1.

## PART II.—CO-OPERATIVE INSURANCE

16. *Definitions.*—In this part of these rules.

(i) "society" means a society of public service vehicle owners which has been permitted under the provisions of sub-section (1) of section 108 of the Act to transact the business of an insurer for the purposes of the Act as if it were an authorised insurer.

(ii) "Superintendent of Insurance" means the person for the time being performing the functions of the Superintendent of Insurance under the provisions of the Insurance Act, 1938.

(iii) "approved securities" means approved securities as defined in sub-section (3) of section 2 of the Insurance Act, 1938.

(iv) "holding authority" means in relation to a society the authority in whose custody the fund established under clause (a) of sub-section (1) of section 108 of the Act is to be lodged.

17. *Co-operative Insurance Fund.*—The fund required to be established in terms of clause (a) of sub-section (1) of section 108 of the Act shall be held in the form of a deposit made either in cash or in approved securities or partly in cash and partly in approved securities and the amount of approved securities so held shall be estimated at the market value of the securities on the day of the deposit.

Provided that where a deposit held under the Insurance Act, 1938, is transferred to the holding authority in pursuance of Rule 24 of these rules, the date of the deposit shall, in the case of approved securities so transferred, be deemed to be the date of such transfer.

18. *Deposits—procedure.*—(1) Deposits shall be sent by the society with a covering letter to the holding authority.

(2) Securities shall be duly transferred to the holding authority by the society.

(3) Upon receipt of a deposit under sub-rule (1) of this rule, the holding authority shall send,

(a) a certificate in Form D to the society ;

(b) a statement in form E to such officer as may be specified by the Provincial Government ;

Provided that, if the holding authority is not satisfied as to the validity of the title of the society to the securities, he may return them to the society with the request that they shall first be renewed or that such other measures as may be necessary shall be taken to clear the title.

(4) The deposit made in cash shall be held by the holding authority to the credit of the society and shall except to the extent, if any, to which the cash has been invested in securities under sub-rule 6 of this rule be returnable to the society in cash in any case in which under the provisions of the Act or of these rules the fund is to be returned.

(5) The society may at any time replace any securities deposited by it under these rules with the holding authority either by cash or by other approved securities or partly by cash and partly by other approved securities, provided that such cash, or the value of such other approved securities estimated at the market rates prevailing at the time of replacement, or such cash together with such value as the case may be, is not less than the value of the securities replaced estimated at the market rates prevailing when they were deposited.

(6) The holding authority shall, if so requested by the society,

(a) sell any securities deposited by it with the holding authority under these rules and hold the cash realized by such sale as deposit, or

(b) invest in approved securities specified by the society the whole or any part of a deposit held by the holding authority in cash or the whole or any part of the cash received by him on the sale of, or on the maturing of securities deposited by the society, and hold the securities in which investment is so made as deposit and may charge the normal commission on such sale or on such investment.

(7) Where sub-rule (6) of this rule applies,

(a) if the cash realized by the sale of, or on the maturing of the securities (excluding in the former case the interest accrued) falls short of the market value of the securities at the date on which they were deposited with the holding authority, the society shall make good the deficiency by a further deposit either in cash or in approved securities estimated at the market value of the securities on the day on which they are deposited, or partly in cash and partly in approved securities so estimated, within a period of two months from the date on which the securities matured or were sold; and unless it does so the society shall be deemed to have failed to comply with the condition imposed under clause (a) of sub-section (1) of Section 108 of the Act; and

(b) if the cash realized by the sale of, or on the maturing of the securities (excluding in the former case the interest accrued) exceeds the market value of the securities at the date on which they were deposited with the holding authority, the Provincial Government may, if satisfied that the full amount required to be deposited under clause (a) of sub-section (1) of Section 108 of the Act is in deposit, direct the holding authority to return the excess.

19. *Interest on securities held as a deposit.*—(1) No interest shall be paid on cash deposits.

(2) Any interest accruing due and collected on securities deposited under clause (a) of sub-section (1) of Section 108 of the Act and these rules shall be paid to the society, subject only to deduction of the normal commission chargeable for the realization of interest.

(3) The holding authority shall remit interest or dividends on securities without delay to the society by a Government or bank draft after deduction of a commission of annas four on every sum of Rs. 100 or part thereof.

20. *Matured securities held as a deposit.*—(1) When a security in deposit matures or when any yield on such a security ceases to accrue, the holding authority shall not be bound to inform the society but upon receipt of a requisition from the society made in writing the holding authority shall, within six weeks of such a receipt, collect the discharge value and hold the amount in cash to the credit of the society or invest it in securities specified by the society.

(2) When the form or amount of a deposit is changed by reason of a subsequent deposit, or a substitution or a payment under sub-rule (5) of rule 18, or a sale or investment under sub-rule (6) of rule 18 of these rules, the holding authority shall, within two weeks from the entry of such change in the books of the holding authority, send a fresh certificate and a fresh statement of the nature and in the manner described in sub-rule (3) of rule 18 of these rules.

1. *Payments from deposits.*—(1) Withdrawals and payments from deposits and purchases of securities shall not be made save on the order of the Provincial Government made in writing, and save on the receipt by the holding authority of a requisition in writing and in accordance with the provisions of the Act and of these rules from the society, a liquidator acting in accordance with law, or a Court of competent jurisdiction as the case may be.

(2) The holding authority shall not be bound in pursuance of sub-rule (1) to return securities actually deposited, but may substitute therefor new scrip of securities of the same description and amount.

(3) The holding authority shall be entitled to charge, for the purchase or sale of securities any brokerage payable by the holding authority in respect of such purchase or sale.

22. *Inspection of deposits.*—Any officer authorised in this behalf by the Provincial Government shall be entitled, free of any fee, to inspect or to require from the holding authority any information relating to any security deposited with the holding authority in terms of clause (a) of sub-section (1) of section 108 of the Act and of these rules; and the holding authority shall if so required, furnish such officer with a copy of any entry in any register or book maintained by the holding authority relating to any deposit made with him in pursuance of the Act and of these rules.

23. *Information to the Reserve Bank.*—Where a society, to which permission is granted under sub-section (1) of section 108 of the Act to transact the business of an insurer for the purposes of the Act as if it were an authorised insurer, is registered under the Insurance Act, 1938 at the time of the grant of such permission, the Provincial Government shall intimate the grant of such permission, to the Reserve Bank of India, and shall also intimate to that Bank all the conditions imposed by the Provincial Government relating to the establishment of the fund referred to in clause (a) of sub-section (1) of section 108 of the Act in relation to such society.

24. *Transfer of deposit from Reserve Bank.*—(1) A society as aforesaid shall apply in writing to the Reserve Bank of India for the transfer of the deposit made under section 7 or section 98 of the Insurance Act, 1938, held by the Reserve Bank to the holding authority and such application shall be duly authenticated and accompanied by the order in original of the Provincial Government granting the society permission under sub-section (1) of section 108 of the Act and containing the conditions, if any, imposed by the Provincial Government under clause (a) of sub-section (1) of section 108 of the Act, and an attested copy of such application and its enclosures shall also be sent to the Superintendent of Insurance.

(2) If from the application so made the Reserve Bank is satisfied that the society has been granted permission by the Provincial Government under sub-section (1) of section 108 of the Act, the Reserve Bank shall transfer the deposit held by it under section 7 or section 98 of the Insurance Act 1938 on behalf of the society to the holding authority subject to such conditions, if any as may have been imposed by the Provincial Government.

25. *Information to the Superintendent of Insurance.*—A Provincial Government shall intimate to the Superintendent of Insurance every case of permission granted by it to a society to transact the business of an insurer for the purpose of the Act, and every case where such permission has been withdrawn or cancelled; and in every case where such permission has been granted, the Provincial Government shall also furnish to the Superintendent of Insurance a copy of the documents referred to in clauses (a), (b) and (f) of sub-section (2) of section 3 and the particulars referred to in section 26 of the Insurance Act 1938 in relation to such society so far as is applicable to such society.

Provided that in the case of societies which, at the time of grant of the permission by the Provincial Government have been registered under the Insurance Act 1938 it shall be sufficient compliance with the requirements of this rule if the Provincial Government furnishes to the Superintendent of Insurance the particulars referred to in section 26 of the Insurance Act 1938 in respect of every alteration taking place after the date on which permission is granted to the society by the Provincial Government.

26. *Failure of a Society to comply with the provisions of the Act.*—The Superintendent of Insurance shall intimate to the Provincial Government concerned every case in which, from a perusal of the returns furnished to him by a society, he is of the opinion that the society has failed to comply with the requirements of either sub-clause (i) or sub-clause (ii) of clause (f) of sub-section (1) of section 108 of the Act or both.

### PART III.—FOREIGN INSURANCE

27. *Definitions.*—In this part of these rules—

(i) "Visitor" means a person bringing a motor vehicle into British India and making only a temporary stay therein not extending to a continuous period of more than one year.

(ii) "Foreign insurer" means a person or firm carrying on the business of insurance incorporated or domiciled outside British India and not registered under the Insurance Act, 1938.

(iii) "Guarantor" means an insurer who had guaranteed a foreign insurer in pursuance of these rules, and "guarantee", "guaranteed" and "guaranteeing" have corresponding meanings.

(iv) "Approved list" means the list of foreign insurers and their guarantors maintained by the Central Government under these rules.

(v) "Certificate of foreign insurance" means a certificate issued by a foreign insurer in Form 'G' in compliance with these rules.

28. *List of foreign insurers.*—(1) The Central Government shall publish in the official Gazette a list (hereinafter referred to as the approved list) of foreign insurers who have been guaranteed in accordance with these rules, together with the name of the guarantor or guarantors in each case and shall also publish any addition to or removal from the approved list.

(2) No foreign insurer's name shall be added to the approved list until such foreign insurer has been guaranteed by at least one insurer and the name of the foreign insurer who ceases to have at least one guarantor shall be removed from the list.

29. *Guarantor of foreign insurer.*—(1) An insurer who desires to guarantee a foreign insurer shall make application therefor to the Central Government in Form F set out in the Schedule to these rules.

(2) The Central Government may, if it is satisfied that the application referred to in sub-rule (1) is in order and that it is expedient that the foreign insurer be placed in the approved list, or, where the name of the foreign insurer is already included in the approved list, that the insurer should be added to the approved list as a guarantor of the foreign insurer, add the name of the foreign insurer to the approved list if it is not already included, and include the insurer as a guarantor of such foreign insurer.

(3) A guarantor desiring to cease guaranteeing a foreign insurer shall give notice of not less than two months to the Central Government in form I set out in the schedule to these rules, and where such notice has been given the guarantor shall be deemed to have ceased to guarantee the foreign insurer from the date specified in the notice :

Provided that the insurer shall be deemed, in respect of all certificates of foreign insurance endorsed or renewed in accordance with the provisions of rule 30 (2) of these rules before the date of such cessation, to continue as the guarantor of the foreign insurer who has issued the certificate as if the guarantor had not ceased to be his guarantor.

(4) If at any time a guarantor ceases to be an insurer, the Central Government may after giving such notice as may appear to it to be necessary, remove from the approved list the name of such guarantor wherever it appears :

Provided that the guarantor who ceases to be an insurer shall be deemed, in respect of all certificates of foreign insurance endorsed in pursuance of the provisions of rule 30 (2) of these rules before the date of removal of the name of the guarantor from the approved list, to continue as the guarantor of the foreign insurer as if the guarantor had not ceased to be an insurer and as if his name had not been removed from the list.

30. *Endorsement of certificate of foreign insurance.*—(1) A visitor wishing to have a certificate of foreign insurance endorsed or re-endorsed shall produce such certificate in Form G set out in the schedule to these rules before the Customs Collector at a port of entry or land customs post or to such other officer as the Central Government may by notification in the official gazette appoint, for the purpose of endorsement in accordance with the provisions of these rules or for the purpose of the renewal of any endorsement already made on the certificate in accordance with these rules.

(2) Such officer shall, if satisfied that the certificate of foreign insurance complies with the requirements of those rules, that the period of validity of such certificate in British India has not expired, that the certificate has been issued by a foreign insurer in the approved list and that the guarantor specified in the certificate is shown in the approved list as a guarantor of the foreign insurer, make an endorsement thereon in Form H set out in the schedule to these rules.

(3) The period of validity of an endorsement or of the renewal of an endorsement made as aforesaid shall not in any case extend beyond the date on which the certificate of foreign insurance ceases to be effective in British India; provided that, when a visitor obtains a fresh certificate of foreign insurance during the period of his stay in India, the period of validity of an endorsement made upon it added to the period of validity of an endorsement or endorsements that may have been made upon the original certificate, shall not exceed one year in all.

31. *Validity of certificate of foreign insurance.*—A certificate of foreign insurance carrying an endorsement in accordance with the provisions of rule 30 shall have effect as if it were a certificate of insurance issued by the guarantor specified in it and shall be deemed to comply with the requirements of Chapter VIII of the Act; and the policy to which it relates shall also be deemed to have been issued by such guarantor and to comply with the requirements of Chapter VIII of the Act.

32. *Maintenance of records by the guarantor.*—Every guarantor shall, in respect of certificate of foreign insurance issued under his guarantee by the foreign insurer whom he has guaranteed and every person who has ceased to be a guarantor shall, in respect of the certificates of foreign insurance issued under his guarantee by the foreign insurers whom he had guaranteed at any time in the preceding five years, keep a record of such particulars relating to the policies in connection with which the certificates of foreign insurance were issued as are required to be kept by insurers under the provisions of rule 11 of these rules in respect of policies, and the necessary additions to these records required to make them up to date shall be made as soon as is reasonably possible in the circumstances.

## THE SCHEDULE

### FORM A

#### MOTOR VEHICLES ACT, 1939

##### *Certificate of Insurance*

(See rule 4)

- ‘Certificate No. \_\_\_\_\_, Policy No. \_\_\_\_\_ (Optional).
1. Registration mark and number, or description, of the vehicles insured.
  2. Name and address of insured.
  3. Effective date of commencement of insurance for the purposes of the Act.
  4. Date of expiry of insurance.
  5. Persons or classes of persons entitled to drive.
  6. Limitations as to use.

I/We hereby certify that the policy to which this certificate relates as well as this certificate of Insurance are issued in accordance with the provisions of Chapter VIII of the Motor Vehicles Act, 1939.

(authorised insurer).

### FORM B

#### MOTOR VEHICLES ACT, 1939

##### *Cover Note*

(See rule 5)

1. Registration mark and number, or description of the Vehicles insured.
2. Name and address of insured.
3. Effective date of commencement of insurance for the purposes of the Act.
4. Date of expiry of insurance.
5. Persons or classes of persons entitled to drive.
6. Limitations as to use.

I/We hereby certify that this cover note is issued in accordance with the provisions of Chapter VIII of the Motor Vehicles Act, 1939.

(authorised insure).

FORM C

MOTOR VEHICLES ACT, 1939

(See rule 12)

Certified that the motor vehicle of the following description—

(a) Registration number

(b) Make

(c) Class, i.e., Motor Cycle, Motor Car, Motor Bus, Goods Vehicle, or other class (describe)

(d) Colour of body

Is the property of:—

(i) the Government of

(ii) the local authority which has been notified for the purposes of section 94 of the Motor Vehicles Act by the Government of

This certificate is valid up to unless cancelled in the meanwhile.

Date.

Signed on behalf of  
Designation

FORM D  
(See rule 18)

No.

19

Certified that the has made the undernoted deposits under clause (a) of sub-section (1) of Section 108 of the Motor Vehicles Act, 1939, and the Motor vehicles (Third Party Insurance) Rules, 1946.

(holding authority).

Approved Securities					
	Cash	Loan	Face Value	Market Value	Remarks.
1	2	3	4	5	6
Total					

Grand total of columns 2 and 5 Rs.

FORM E  
(See rule 18)

No.

19

Statement showing the particulars of deposits held on behalf of the clause (a) of subsection (1) of Section 108 of the Motor Vehicles Act, 1939. under

Loan	Existing deposits (excluding deposits withdrawn)		New deposits received on		Total	
	Face Value	Book Value	Face Value	Book Value	Face Value	Book Value
Total						
Cash						
Grand Total						

Certified that the above agrees with the entries in the books maintained by .....

To

(the holding authority).  
(holding authority):



COUNCIL OF STATE  
FORM F  
MOTOR VEHICLES ACT, 1939  
(See rule 29)

[7TH Nov. 1946

*Application for the approval of a foreign insurer*

I/We hereby apply for the inclusion of ..... of .....  
(name of foreign insurer)

Constituted/Incorporated/domiciled at  
in the approved list maintained by the Central Government in  
pursuance of the Motor Vehicles (Third Party Insurance) Rules 1946, and for the inclusion of  
my/our name as the guarantor of the said .....(name of foreign insurer) .....  
for the purposes of Chapter VIII of the Motor Vehicles Act, 1939, and the  
said Rules. I/We hereby certify that I/We have entered into an arrangement for the purposes  
of the said Act and the said rules with the said foreign insurer and I/We hereby agree to act as  
guarantor in British India in respect of the said foreign insurer for the purposes of the said Act  
and the said Rules.

(signature of authorised insurer).

Dated, the

19 .

address.

FORM G  
MOTOR VEHICLES ACT, 1939  
(See rule 30)  
*Certificate of foreign Insurance*

Certificate No. , Policy No. (Optional).

- 1 Name and address of approved foreign insurer.
2. Name and address of guarantor.
3. Registration mark and number of the motor vehicle.
4. Name and address of visitor.
5. Date of commencement of the policy.
6. Date of expiry of the policy.
7. Persons or classes of persons entitled to drive in British India.
8. Any limitations as to use in British India.
9. Particulars of any other vehicle(s) which the foreign visitor is entitled to drive in British India and of any limitations in this connection.

I/We hereby certify that this certificate of foreign insurance has been issued in accordance with the provisions of Chapter VIII of the Motor Vehicles Act, 1939, and the Motor Vehicles (Third Party Insurance) Rules 1946.

(approved foreign insurer).

FORM H  
MOTOR VEHICLES ACT, 1939  
(See rule 30)

*Endorsement on certificate of foreign Insurance*

Certified that I have today examined this certificate of foreign insurance and that I am satisfied that this certificate complies with the requirements of Chapter VIII of the Motor Vehicles Act 1939, and of the Motor Vehicles (Third Party Insurance) Rules 1946.

The period of validity of this endorsement will expire on ..... unless cancelled in the meanwhile.

Date

(Signature and designation of competent authority).

The period of validity of this endorsement is hereby renewed.

Up to

Up to

Up to

Unless cancelled in the meanwhile.

(Signature and designation of competent authority).

## FORM I

## MOTOR VEHICLES ACT, 1939

(See rule 29)

This is to give notice that I/we desire to cease acting as guarantors in British India of  
 of  
 (name of foreign insurer). (address of foreign insurer) after or from  
 the expiry of two months from the date on which this notice is delivered to the Central Govern-  
 ment, whichever is later, for the purposes of Chapter VIII of the Motor Vehicles Act, 1939, and the  
 Motor Vehicles (Third Party Insurance) Rules 1946.

(authorised insurer).

Dated the \_\_\_\_\_ the day of \_\_\_\_\_ 19 \_\_\_\_\_

THE CHIEF COMMISSIONER OF COORG

## NOTIFICATION

Dated Mercara, the 7th August, 1946

No. 254/R. F. 95-45.—In exercise of the powers conferred by sections 68 and 70 of the Motor Vehicles Act, 1939 (Act IV of 1939), the Chief Commissioner is hereby pleased to make the following amendments to the Coorg Motor Vehicles Rules 1940, issued with his notification No. R. F./43/121-39, dated the 26th March, 1940, as subsequently amended:—

*Amendment*

1. In rule 82 of the said Rules the following new clause (g) shall be added:—

“(g) The provisions of this rule shall not apply to motor vehicles registered under section 39 of the Act”.

2. The existing entry in rule 146 of the said Rule, “rule 91” shall be numbered as (a) and the following new entry shall be inserted:—

“(b) The District Superintendent of Police may by order in writing and subject to any conditions authorise the driving at night without lights of motor vehicles registered under section 39 of the Act during the hours and on the route or routes, or in the area, within his jurisdiction specified in the order”.

## INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE

THE HONOURABLE MR. D. D. WARREN (Transport and Railways Secretary):  
 Sir, I lay on the table the information promised in reply to question No. 234 asked by the Honourable Mr. Abdool Razak Hajee Abdool Suttar on the 24th March, 1946.

## NUMBER OF MUSLIMS EMPLOYED IN THE HIGHER DIVISION AND IN OFFICERS' RANK OF THE PORT COMMISSIONERS' SERVICE, AT CHITTAGONG, ETC.

A statement giving the information for the Port of Bombay is laid on the table.

*Statement showing the number of Muslims in the service of the Bombay Port Trust*

Appointments carrying a maximum salary of less than Rs. 500 but not less than Rs. 100 p.m.	Appointment carrying a maximum salary of Rs. 500 and above p.m.
Bombay	113
	5

THE HONOURABLE THE PRESIDENT: We will now proceed with the further business on the list but before doing so I have been asked by two Honourable Members—the Leader of the House and Dr. Rajendra Prasad—to tender their apologies to you for their absence today which has been inevitable on account of special work.

## MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

**THE HONOURABLE THE PRESIDENT :** Honourable Members, I have a message to deliver to you from His Excellency the Viceroy :—

“ In pursuance of the provisions of sub-section (2) of section 63-A of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, I, Archibald Percival, Viscount Wavell, hereby nominate the following Members of the Council of State to be on the Panel of Chairmen of the said Council of State :

In the first place, the Honourable Sir David Devadoss ; in the second place, the Honourable Mr. Manockji Nadirshaw Dalal ; in the third place, the Honourable Mr. V. V. Kalikar, and lastly, the Honourable Saiyed Mohamed Padshah Sahib Bahadur.

NEW DELHI :

*The 30th October, 1946.*

WAVELL,

*Viceroy and Governor General.”*

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## COMMITTEE ON PETITIONS

**THE HONOURABLE THE PRESIDENT :** Honourable Members, under Standing Order 76 of the Council of State Standing Orders, I am required at the commencement of each session to constitute a Committee on Petitions consisting of the Chairman and four members. The following members have at my request kindly consented to preside over and serve on the Committee. I accordingly have much pleasure in nominating as Chairman of the Committee the Honourable Raja Charanjit Singh and as members, the Honourable Pandit Hirday Nath Kunzru, the Honourable Sir Ramunni Menon, the Honourable Haji Syed Muhammad Husain, and the Honourable Mr. Chidambaram Chettiyar.

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## GOVERNOR GENERAL'S ASSENT TO BILLS

**SECRETARY OF THE COUNCIL :** Sir, information has been received that His Excellency the Governor General has been pleased to grant his assent to the following Bills which were passed by the two Chambers of the Indian Legislature during the Budget Session, 1946, namely :—

- (1) The Workmen's Compensation (Amendment) Act, 1946.
- (2) The Indian Mines (Amendment) Act, 1946.
- (3) The Code of Criminal Procedure (Amendment) Act, 1946.
- (4) The Code of Criminal Procedure (Second Amendment) Act, 1946.
- (5) The Professions Tax Limitation (Amendment) Act, 1946.
- (6) The Insurance (Amendment) Act, 1946.
- (7) The Indian Finance Act, 1946.
- (8) The Indian Income-tax (Amendment) Act, 1946.
- (9) The Indian Opium Committee Act, 1946.
- (10) The Factories (Amendment) Act, 1946.
- (11) The Provident Funds (Amendment) Act, 1946.
- (12) The Trade Marks (Amendment) Act, 1946.
- (13) The Indian Companies (Amendment) Act, 1946.
- (14) The Railway Companies (Substitution of Parties in Civil Proceedings) Act, 1946.
- (15) The Indian Coconut Committee (Amendment) Act, 1946.
- (16) The Protective Duties Continuation Act, 1946.

- 1) **EXPRESSION OF REGRET ON DEATH OF SIR A. P. PATRO AND HAJEE ABDUL RAZA** 69  
(2) **CONGRATULATIONS TO RECIPIENTS OF HONOURS**

(17) The Protective Duties Act, 1946.

(18) The Indian Soldiers (Litigation) Amendment Act, 1946.

(19) The Hindu Married Women's Right to Separate Residence and Maintenance Act, 1946.

(20) The Industrial Employment (Standing Orders) Act, 1946.

(21) The Merchant Seamen (Litigation) Act, 1946.

(22) The Mica Mines Labour Welfare Fund Act, 1946.

- (1) **EXPRESSION OF REGRET ON THE DEATH OF SIR A. P. PATRO AND HAJEE ABDUL RAZAK ABDOOL SUTTAR.** (2) **CONGRATULATIONS TO RECIPIENTS OF HONOURS.**

**THE HONOURABLE THE PRESIDENT:** Honourable Members, it is my melancholy task to convey to you the sad news of the death of two of our sitting members. The first of them is the late Sir A. P. Patro. The late Sir A. P. Patro was a member of this Council for the last ten years and was one of the leading members of this House. He came to this House ten years ago after a most distinguished career in Madras where he had served in many important capacities and had earned a great reputation and respect not only from his colleagues but from the citizens of Madras. He was for many years connected with the Local Self-Government Institute as Chairman of that body, extending over twenty years, and, later on, after doing good work in that capacity, he joined the Legislative Assembly and the Government as one of the Ministers. As a Minister he did a great deal of work. Especially in the field of education his talents and his great capacity for work came into play. He revised the Primary Education Act and reorganised the Madras University. That was a great piece of work to his credit. Subsequently he was sent as a delegate to the Round Table Conference and also to the League of Nations where he discharged his duties admirably and very efficiently, and his work was very much admired in India. After doing all that work, he came to this Council as a member in 1937. Honourable Members are fully aware of his work as a member of this House and I need not therefore dilate upon it. He was a most capable politician. His utterances were not vague or indefinite; they were of a most definite character. He earned the admiration and respect of his colleagues. Sometimes members, as you will remember, had differences of opinion on many questions. But whenever he argued, he argued with a clear and definite object, that is, in order to convince his hearers of the proposition for which he was arguing, in order to convince them that the proposition which he was supporting was of considerable importance. I personally enjoyed his friendship, and I had great respect and admiration for the man. We will all miss him from this House on many important occasions, and I am sure you will all agree with me when I say that. With your permission, I will convey the regret and sorrow of this House to his bereaved family.

The other gentleman who was in this House for ten years was the late Hajee Abdool Suttar. He was a very dignified man. He spoke very rarely in this House, but he was the power behind the Muslim League. I do not see my Honourable friend Mr. Hossain Imam here, but if he was here, he would have very probably joined me in extolling his work. He was liked by all the members of this House with whom he was very friendly, and he gave a great deal of assistance to his party in this House.

Honourable Members, after this melancholy duty, it is my privilege to offer on behalf of the members of this House and my humble self our congratulations to those Honourable Members who had the good fortune this year to get decorations from His Majesty the King in the Birthday Honours.

**THE HONOURABLE MR. S. K. ROY CHOWDHURY** (West Bengal : Non-Muhammadan) : What about those who have given up decorations ?

**THE HONOURABLE THE PRESIDENT:** I am not concerned with them; they are not in the list of present decorations.

**THE HONOURABLE MR. GAZANFAR ALI KHAN (Health Member) :** Congratulate them both.

**THE HONOURABLE THE PRESIDENT :** The foremost name that will appeal to you is that of Field-Marshal Sir Claude Auchinleck, our present Commander-in-Chief. I wish to be very brief in my reference to his present decoration, because only 18 months ago I spoke at considerable length when he got his G. C. B. from His Majesty. On that occasion I said that other higher honours were awaiting him, and my prophecy has come true within a short space of time. His qualities as a soldier and his work not only as a soldier but as a statesman are known to you all. He is a great soldier who distinguished himself not only in the Middle East but also in Asia, and the great honour which he has now received from His Majesty the King, which is the highest military honour, is well deserved. He has been very good to India. He is loved by all Indian soldiers, and they hold him in considerable respect. I have in my time had to deal with eight or nine Commander-in-Chief in India, and I may tell you that the present Commander-in-Chief's name is associated with two other great military men who have done similar good work and who won the affection and regard not only of Indian soldiers but of the citizens of India. Those names are Field Marshal Birdwood, and Field Marshal Viscount Wavell, our present popular Viceroy. You will also remember that His Excellency Viscount Wavell was in our House for nearly two years as Commander-in-Chief in India and you know his work in this House. He is not only a gifted soldier, but a gifted statesman, and I shall have to refer on some other occasion to the great work which he has done in this country in the last few months. At present I only say that Sir Claude Auchinleck has deservedly received the great honour which His Majesty has bestowed on him, and we are all happy to see him as Field Marshal. I also congratulate the Honourable Sardar Baldev Singh, our present Defence Member, on having at his elbow at this very difficult time a soldier of such great ability to help him.

Two K.C.S.I.'s were awarded to two Ex-Members of the Governor General's Council, the Honourable Sir Jawala Prasad Srivastava and the Honourable Sardar Sir Jogendra Singh.

**THE HONOURABLE MR. M. THIRUMALA ROW (Madras : Non-Muhammadan) :** Sir Jawala Prasad Srivastava is not a member of this House now.

**THE HONOURABLE THE PRESIDENT :** If you want to say anything, you must rise and address me properly.

**THE HONOURABLE MR. M. THIRUMALA ROW :** Because you were on your feet I did not stand.

**THE HONOURABLE THE PRESIDENT :** Kindly don't disturb me. As an old member you ought to know by this time that you should not disturb me while I am addressing the House.

**THE HONOURABLE MR. M. THIRUMALA ROW :** You have always said I am a new member.

**THE HONOURABLE THE PRESIDENT :** Sir Jawala Prasad Srivastava has obtained a K.C.S.I. I have nothing to say about his other activities but as Food Member in this Council he worked very hard. He visited the famine-stricken places and did everything in his power to alleviate the misery and hardship which was then prevailing in India and which unfortunately still prevails. I am sure that Dr. Rajendra Prasad, who is now in charge of the portfolio, will be able to combat this food question in a most efficient and successful manner.

Sardar Sir Jogendra Singh was a very quiet, modest and unassuming member. He was also a very able and energetic man. I worked with him in the first Council of State nearly 24 years ago. I worked with him for a short time in the old Legislative Assembly prior to the coming into existence of the Council of State. His deep studies of all important questions attracted the attention of the first President of the Council of State, Sir Alexander Muddiman, the late Governor of the United Provinces. He spoke about his great ability in the open Council in the first Council of State. He has served in various capacities. As a talukdar his knowledge of revenue questions was very great. He was very clear in his mind and he expounded on agricultural questions and referred to them with clarity and success in this House.

(1) **EXPRESSION OF REGRET ON THE DEATH OF SIR A. P. PATRO AND HAJEE ABDOL RAZAK ABDOL SUTTAR** (2) **CONGRATULATIONS TO RECIPIENTS OF HONOURS**

Next I come to Sir Arthur Griffin, who has obtained a K.C.I.E., and who has just retired from the Chief Commissionership of Railways. He had worked in the Railway Board for a number of years. From a small appointment he became Secretary and from the Secretary's post he rose to that of Chief Commissioner of Railways. He did excellent work in this House. He propounded two Railway Budgets here and dealt with them very ably and efficiently. His logic was simply unassailable and he was much admired and respected in this House.

The other two men who have got a K.C.I.E. are Mr. H. C. Prior and Mr. N. R. Pillai. They both were good Secretaries and able men. They were in this House and they have been fortunate enough to receive the high distinction of K.C.I.E. I congratulate them. They are not now in this House for me to speak at any length but many of you are aware of their work and I hope that their successful career will not end with their acquisition of this title but will progress further, and that they will receive elsewhere more honours in the near future.

Sir Richard Tottenham, who also obtains a K.C.I.E., was the Home Secretary. He also did good work. He was in this House some years ago. I only refer to his work in this House. He was in the Assembly also as a prominent Government member. He was a competent man and did a lot of useful service.

Next I come to the C.S.I.'s. I have much pleasure in referring to my friend Mr. Yeatts, the Supply Secretary. He has been in this House for some time and he has done excellent work. When Sir Arthur Waugh was a Member of the Executive Council and also when he went to America and other places, Mr. Yeatts performed the duties which fell on him, which were of a very heavy character at that time in the midst of the war. We all know of the success which he achieved and after Sir Homi Mody, a very eminent Member of the Supply Department, had left this Council, he did excellent work in the capacity of Secretary. He is one of the most distinguished and brilliant Secretaries of the Government of India, and I wish him all success in the future. Mr. Narhari Rao has done much useful and praiseworthy work in the Finance Department.

**THE HONOURABLE MR. M. W. M. YEATTS (Industries and Supplies Secretary):** Thank you, Sir.

**THE HONOURABLE THE PRESIDENT:** I have omitted one important name, that of Mr. Greenfield, Member, Central Board of Revenue. He was a Member of this Council for some time and he did very good work. He is not in the Council now. He did excellent work as a Member of the Central Board of Revenue and he has been deservedly rewarded with a C.S.I.

Mr. A. V. Pai has received a C.I.E. which he richly deserves. He is a quiet honest and unostentatious man, and very hardworking. From the information which he placed today before the House on important questions you must have known how careful he is in his placing facts before the Council. I have nothing further to add. We shall now proceed with the Resolutions fixed for today.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Province Northern : Non-Muhammadan):** Sir, before the business of the day begins, may I with your permission, associate myself with your expression of sorrow at the death of Sir A. P. Patro and Hajee Abdool Razak Abdool Suttar? Both these Members were well-known to us and valued for their qualities. It must be a matter of sorrow to every Member of this House that they are no longer with us. I trust that when you convey your expression of sorrow to their families you will be good enough to associate us with you.

**THE HONOURABLE THE PRESIDENT:** Of course I shall.

**THE HONOURABLE SIR DAVID DEVADOSS (Nominated Non-official:** Coming from Madras, I offer my sincere condolences to the family of the bereaved Sir A. P. Patro came to Madras as a member of the Legislative Council. That was the first time that I came to know of him. From that time onwards he worked very hard and he made such an impression upon his colleagues as well as upon His Excellency the Governor that he was offered a seat in what was known as the Cabinet which was

[SIR DAVID DEVADOSS:]

mainly composed of Non-Brahmins, which was known as the Justice Party. There he distinguished himself. You have already referred to the Madras University Act. In other ways also he did much good work. He was almost the first who tried prohibition in some parts of Madras. His other activities are well known to all of us and I do not want to take up the time of the House by referring to them. He was an excellent friend of a very amiable disposition. He was a very warm supporter of the right cause and it is a great pity that we should lose his services, at this time when things are moving in a way that we would all like to support.

As regards the other Muhammadan gentleman, as you have referred to him I do not want to say much. He was a very quiet gentleman who always commanded the respect of his colleagues. Sir, will you please convey to the members of these two families our condolences?

**THE HONOURABLE SIR K. RAMUNNI MENON** (Nominated Non-official): May I, as another member coming from the South, associate myself with all the sentiments that you and other speakers have expressed in regard to Sir A. P. Patro. He was a very remarkable man. His work in the Council was certainly of a very high order. Through his speeches which were characterised by boldness, candour and a certain measure of unconventionality, he made very valuable contributions to a fuller understanding of the many subjects which came up for debate in this Council. His forceful personality has left a very vivid impression on our minds and I am sure his memory will be lovingly cherished by all of us.

**\*THE HONOURABLE SYED MOHAMED PADSHAH SAHIB BAHADUR** (Madras-Muhammadan): Sir, I also join in the tribute which has been paid to our late colleagues Sir A. P. Patro and Abdool Razak Abdool Suttar. Coming from Madras I can very confidently endorse what you have said about our late friend Sir A. P. Patro, that when he came to this House he came with a distinguished record of service rendered to our province. I do not want to say much about him, because most of the Honourable Members here are aware of the great services that were rendered by him in various capacities, as a lawyer, as a non-official politician and as a Minister in Madras. All that I would say is that he took an unceasing interest in politics and until the last moments of his life he took a keen interest in the public life of the country. Despite his age and declining health, he made his presence felt in this House, especially when important questions came up for discussion. One thing that characterised Sir A. P. Patro's utterances was his boldness and frankness of expression. The result was that even those who differed from him sharply could not help appreciating the sincerity of his conviction and the honesty of his purpose. We will really miss him very much on all important occasions when different views need to be put before this Honourable House.

As regards the other friend, the Honourable Mr. Abdool Razak Sait, he was one of the most popular members of this House. You put it, Sir, perfectly correctly when you characterised him as one of the most dignified members of this House. He was such a good natured gentleman that he was sympathetic to, and supported, any public cause. His genial disposition, his simplicity of manners and above all his transparent sincerity won for him the abiding regard and affection of all those who knew him. He will be missed very much for a long time to come. I request you to convey our condolences to the members of the bereaved families of both of our friends.

**THE HONOURABLE MR. G. S. MOTILAL** (Bombay: Non-Muhammadan): Sir, I rise to pay my tribute to the memory of two of our departed colleagues, Sir A. P. Patro and Mr. Abdool Razak Hajee Abdool Suttar. We were not prepared when we met them in the House some time back for mourning their death. Sir A. P. Patro had a long record of public life. There were many occasions on which we were engaged in debate on the one side or the other and with all that he preserved a certain amount of amity and he was a friend. Our differences were only in the House, but outside the House he was as friendly as any other person. The other gentleman, Mr. Abdool Razak Abdool Suttar, I met before we came into this House. We came to know each other in business. He was a man of amiable nature and he was a man gifted with a sound common sense and that common sense he used whenever he was

present in this House. He was a silent member, true, but his silence was also valuable. Sir, with these words I pay my tribute to their memory.

**THE HONOURABLE MR. M. THIRUMALA ROW** (Madras : Non-Muhammadan) : Because I come from the same part of the country from which Air A. P. Patro came and having known him for a long number of years, I wish to associate myself entirely with the kind remarks that have fallen from you. Sir A. P. Patro is a remarkable personality that had owed allegiance through life to several political ideologies. He had his schooling earlier in life in the Congress. He was a first class nationalist who led a deputation to England in the year 1916 along with other leading Congressmen. Afterwards he linked his political fortune to another party, called the Justice Party, in which he rose very high and distinguished himself as leader of men ; and as it is said, a man is as old as he feels and Patro never felt old from what I know of him. In his 80th year he wanted to contest the Madras Landholders constituency and sit again in the same old Assembly. This was his jest in life and he always encouraged younger men like myself with kind words and good advice. The one thing which inspired him earlier in life, the ideology of the Congress, has held greater hold on me, that is the only difference between us.

With regard to my friend Mr. Abdus Sattar Sait, he was a very picturesque personality whose lace turban is very much missed here. He looked like the Shaikh of the Arabian Desert with all the grandeur of his cultured moustache. He was a fine personality with whom it was a pleasure to work. He was never cantankerous or in any way assertive. He was always for give and take in the political field and as men of such calibre are mostly in need in the present circumstances we miss him in this house.

I wish to make one submission to the President, about the association of this House with regard to the titles in the changed circumstances of the principal political parties, who attach equal value to titles, who have come into power ; I hope this will be the last occasion in this House.

**THE HONOURABLE THE PRESIDENT** : That will be a matter for my successor to decide. I have no wish to depart from the practice which has been established in this House for many years.

**THE HONOURABLE MR. GHAZANFAR ALI KHAN** (Health Member) : Sir, on behalf of my colleagues and myself I wish to associate myself with the sentiments which have been expressed by you and other members of this Honourable House regarding the death of these two most prominent citizens and popular members of this Honourable House and I request you, Sir, kindly to convey to the bereaved families the sense of grief which we all feel.

**THE HONOURABLE THE PRESIDENT** : I will convey your sympathy to the bereaved families.

## RESOLUTION *RE* PROMOTION OF LEGISLATION TO BRING THE TEXTILE INDUSTRY UNDER FEDERAL CONTROL

**THE HONOURABLE SIR N. GOPALASWAMI AYYANGAR** (Madras : Non-Muhammadan) : The Resolution I beg to move for the consideration of this House is in the following terms :—

“ This Council recommends to the Governor General in Council—

(a) that the continuance in a state of up-to-date efficiency of Indian cotton mills (both spinning and weaving), and their expansion as well as the establishment in properly sited localities in provinces and States, of new mills, in accordance with a national plan are imperatively necessary for preserving and promoting the progress of the handloom industry for meeting adequately the growing internal demands for yarn and cloth, for building up a promising export trade in manufactured cotton goods, and above all for raising the standard of living of the common man both in the cities and the countryside ;

(b) that the threat to the Indian mill industry which one Provincial ministry had sounded already, and which, there is reason to fear, might be sounded by other Provincial ministries also, deserves to be effectively countered ; and

(c) that, therefore, federal legislation be undertaken without delay to declare that the development of the cotton mill industry under federal control is expedient in the public interest and to provide for this development in the interest of India as a whole and on nationally planned lines



[Sir N. Gopalasawmi Ayyangar]

Sir, the cloth situation in the country gives cause for grave anxiety. The shortage is felt not only in urban areas but in the remotest corners of the countryside. I do not, Sir, in dealing with a Resolution of this comprehensive nature, propose to give details of the cloth position in the country. There is only one remark which I would allow myself to make at this early stage and that is that if this acute scarcity in the supply and distribution of cloth is to be adequately met, the only proper solution is to step up the production of cloth.

Now, Sir, this Resolution confines itself to the cotton mill industry. That industry has a long history. If I remember aright, the first Indian cotton mill was started somewhere about the 50's of the last century, so that the industry has been with us for the best part of a century. It is as a single industry the biggest in the country. It has passed through many vicissitudes. It has had ups and downs. It has been in very straitened circumstances on some occasions; on other occasions it has pulled itself up and tried to carry on. It had in the earlier years of its existence to contend against foreign competition and it could not depend on help which an industry of that sort could look forward to from the Government of this country when it had to contend against that foreign competition in those days. Well, some measure of tariff protection in favour of the industry started as early as the year 1894 and in some form or other it has continued since. The last instalment of it is still in force and is, I understand, to expire on the 31st of March, 1947. Perhaps a new Tariff Board may have to be set up to consider what should be done as regards this industry after that date.

Now, in all these years, in spite of these great difficulties, the industry has made progress. It would be interesting, Sir, to know that, as a result of this progress and as a result of the conditions brought about by the war which ended last year, the industry looks as if it has come into its own, though it has still many difficulties to face and surmount. One or two figures will help us to understand this position. At the end of World War I in the year 1919-20 the net available mill production for consumption in this country was about 144 crores of yards or 1,440 millions of yards. The *per capita* consumption in that year was 9.34 yards. For the year 1944-45—about the end of World War II—the total mill production available for consumption in this country was 4,350 million yards and the *per capita* consumption was calculated at 15.1 yards, taking into account also the production of handloom cloth in the country. Well, that is a big step forward. In 1945 there were 417 cotton mills with 10,238,000 spindles and 2,02,000 looms using something like 4,09,900 bales of cotton, each bale being about 392 lbs. The industry employs about 6 lakhs of workers, and one writer familiar with the history of this industry estimates that the number of university men employed in this industry is about 5,000. The pre-war capital cost of the machinery installed in this industry as a whole has been estimated at something like Rs. 80 crores. If you add the value of land and buildings also, that cost would probably come to about Rs. 120 crores. These figures which I have given are, I think, sufficient to indicate that it is not only the biggest single Indian industry in the country, but that the industry constitutes a most impressive testimony to Indian capacity in the field of large-scale industry.

Now, Sir, it is against this industry that a threat has been recently sounded. There have been ominous indications of Governmental action, not Government of India action, but Provincial Governmental action, threatening to thwart the expansion, rehabilitation and rationalisation, may, endangering even the very existence in the ultimate, of this industry. The provincial Government of Madras have announced a policy more or less in those terms. It is reported, though not supported by reliable evidence, that one other Provincial Government has been sharply pulled up for acquiescing in the installation of new mills in its jurisdiction. A third provincial Government is supposed seriously to be considering the implementation of the policy which the Madras Government have announced. These threats are there, and it is because of these threats that I have come to this House with this Resolution. If these threats are carried into execution, if the policy that has been enunciated is going to be pushed to its logical conclusion, then there will be no cotton mill industry.

Perhaps the extinction of this industry may not happen immediately, but that extinction is surely contemplated by the authors of the policy as an ultimate objective.

Now, take Madras. I wish to give a few facts regarding what has happened in Madras. On the 25th July, a conference convened under the auspices of the Madras Government considered a khadi development scheme prepared by the All-India spinners' Association and finalized it. A copy of this scheme and what happened at this conference have been made public in a note which has been issued by the provincial Textile Commissioner. This note gives no indication at all of any action being contemplated against cotton mills. On the 31st July, the Prime Minister of Madras introduced the provincial budget in the Legislative Assembly of the province, and this is all that appears in his budget speech :—

“ A scheme for the production of khadi in each of the selected firkas is ready and will be put into operation almost at once. The special feature of the scheme is that not only will yarn be spun in the villages but it will as far as possible be woven into cloth in the same areas. A sum of Rs. 3 crores has been included in the budget for this purpose.”

That sum of Rs. 3 crores was later on explained as intended to constitute a fund from which amounts were to be drawn for meeting the expenses of the khadi scheme and also paying subsidies to those who participated in it. You will notice that even in this speech the Prime Minister gave no indication of any action being contemplated against the expansion of the cotton mill industry.

Thereafter the provincial Textile Commissioner undertook a journey to Delhi and Wardha for placing the scheme before Mahatma Gandhi and explaining its provisions to him. It was scrutinised there, and, as a result of the discussions that took place there, three important changes were made in the scheme. Originally the khadi scheme in Madras was to have been experimented with in 25 firkas, one practically in each district of the province. As a result of the discussions the number of firkas in which this intensive work was to be carried on was reduced to seven. But in the remaining firkas an extensive scheme was to be implemented for preparing the people for khadi work in the future. The third point was action as regards cotton mills. The view held was that the Prime Minister or his Government could not attempt to ride two horses at the same time in the same area. He could not expect to implement his khadi scheme if he allowed the cotton mills also to function in that area. The provincial Textile Commissioner took this message back, and later on I believe the Prime Minister of Madras made a journey to Delhi and had also the benefit of discussions here. He returned, and on the 2nd October, at a small village called Erraguntapalam, he inaugurated his khadi scheme. In the course of the speech which he made on that occasion, he said as follows :—

“ The Government are launching this khadi programme of theirs with complete faith in its efficiency as a beneficial scheme for our people and confidence as to its success if given a trial under fair conditions. They must therefore take steps to remove all the handicaps in the way. It has accordingly been decided”

and I want the House to note the words that follow :

“ It has accordingly been decided not to allow any new cotton textile mills to be set up in this Province. Even the expansion of the existing mills will not be permitted and the Central Government will be informed that the allotment of spindles and looms made to this province under the post-war plan be cancelled.”

Mind you, Sir, this speech was made some four or five months after the Government of India had issued orders allocating additional spindleage to the Madras province; and their orders not only provided for the expansion of some of the existing mills, but also for the establishment of 24 new mills in that province. I think I was a little inaccurate when I said that the sanction for the 24 mills was given on the 4th May,

1946. The allocation of the spindles was made on that day but I believe that before Mr. Prakasam made his important speech the sanctions for the new mills had been accorded. I have it on authority which I do not consider unreliable that only 3 or 4 weeks before the speech was made, the Madras Government wrote to the Government of India that sanction should be given for some more mills in addition to what they had already sanctioned. That was what

[Sir N. Gopalaswami Ayyanagar]

happened at Erraguntapalam. When the speech was reported in the Press, there was a storm of protest from all quarters. Barring certain people supporting the scheme, the generality of public opinion in the Province was against this policy. All the important organs of the press, including, I believe, the one which the Hon. Mr. Thirumala Row represents, were against this scheme. A number of protest meetings were held. I am not referring to the protest meetings of Chambers of Commerce and people of that sort because that is likely to be turned down as interested, on the score that they are meetings of what are called vested interests. I wish to assure the House that I have no vested interest in the cotton mill industry I am not a mill owner and I am not a considerable shareholder in a cotton mill either. I own a few shares worth a few hundred rupees in an obscure cotton mill in Coimbatore which is run by a very respected Congress friend of mine; so that what I say, I say only from the purely public point of view. One important newspaper, after this speech appeared, had this item of news. It claimed to have important news from official quarters and published it with the speech of the Prime Ministers. "Mr. Gandhi has approved the finalised Khadi scheme of the Madras Government subject to the condition that no further extension of the spindleage of the existing mills not the starting of new mills in the Province be permitted. Mr. Prakasam has agreed to these conditions and has made the above announcement." On the 9th October I was called upon to preside over a public meeting in Madras to protest against this policy and in my concluding remarks as Chairman of that meeting I said:—

"Mahatma Gandhi was perhaps not prepared to approve the Madras scheme which had been submitted to him for advice unless such an assurance was forthcoming. Mr. Prakasam has landed himself in an *impasse*. I think that friends of Mr. Prakasam should help him to get out of it and take back the pronouncement he had made on the future of the mill industry, probably under advice which at the time he was unable to resist."

The Prime Minister published a reply in which he took exception to a statement of that sort. He said it was neither fair to him nor to Mahatma Gandhi. He said he himself had great faith in the scheme. I know Mr. Parakasam is a man of high ideal and I have no doubt that today he has immense faith in the scheme. But what I wish to point out is that this great important factor in a scheme of this sort did not occur to him when he propounded his Khadi scheme to the Madras Legislature. He had to be reminded of it from other quarters. The inspiration for adding what I have already described as the post-script to his Khadi scheme came from elsewhere and it matters little, so far as the value of the argument goes, whether he fully believed in what he did or simply accepted advice which was offered to him. The fact remains that the result is bound to produce hardship to the people at large. What is the nature of the threat to the mill industry? The new policy that has been accepted by the Madras Government—let me say it is the Madras Government which has accepted it; the Madras Legislature has not yet accepted it; the people of the Province have not yet accepted it, but the Madras Government have accepted it and announced it—this new policy is substantially the policy enunciated by the All-India Spinners' Association and blessed by Gandhiji. It is based on the cult of self-sufficiency,—self-sufficiency not of India as a whole, not of the Province as a whole, but of each village or group of villages. According to this cult, handloom cloth woven out of hand-spun yarn could and should be produced in sufficient quantity by every family to as to enable the clothing of the entire population of India in Khadi. Cloth production which is now centralised in the cotton mills is to be decentralised to the village. Khadi should be universal and therefore, when such universalisation takes place cotton mills will ultimately have to go out of existence. These are the objectives of this policy. Even Swadeshi has been given a new meaning. Swadeshi is not love of one's own country merely. It must be love of the village and its immediate neighbourhood. That is the new interpretation of Swadeshi. I have no wish, Sir, to go into the merits of this social philosophy. That will take me longer than I intend to take today in this House. I would only say this that this new orientation has not yet received the imprimatur of other persons who count. For instance, the Congress High Command as a body has yet to pronounce itself upon it. So far as the Interim Government is concerned, my point is that its policy is directly opposed to this

Taking the High Command, I do not know exactly what opinions each of the individual members of the High Command hold in this connection. I can however refer to the opinions of two of its prominent members. I will take first, Sir, the Leader of the Interim Government. A passage from his Autobiography has been quoted in a Madras Journal by a correspondent and it is to the following effect :— .

“ As a solution of vital present day problems, khadi cannot be taken seriously and it produces a mentality which may become an obstacle to growth in the right direction. \* \* \* in spite of all these present-day advantages, the Khadi movement in India is, it seems to me, after all a transitional affair.”

I would not go the length that Pandit Jawaharlal Nehru has gone in that last sentence. I personally think that Khadi will live permanently in this country and it will not be a mere transitional affair, that there is great scope for its further expansion. What I do maintain is that that expansion of Khadi development in this country need not be in conflict with the expansion of the cotton mill industry also. Without the expansion of the cotton mill industry and with the expansion of the Khadi industry alone, I consider it impossible to clothe India's population adequately within any measurable distance of time.

Now, Sir, I have quoted the Leader of the Interim Government. I will take another Member of the Interim Government who hails from Madras. He as Prime Minister of Madras in 1937 put before the Legislature of the Province a request for a grant for making subsidies to the Khadi industry in the province and when he was criticised in the Legislature, in reply he said :

“ I admit this. Hand-spinning was always a subsidiary occupation yielding a supplementary income for those who live a precarious existence on poor agricultural income. If the irrigated areas of our Province cry for land revenue revision, the dumb and suffering families in the dry areas cry for assistance in the shape of a subsidiary occupation to be furnished to them and that is what I call hand-spinning.”

Now these two pronouncements of members of the Congress High Command hardly fit in with the new policy which the All-India Spinners' Association is trying to force down the throats of Congress Ministries. The policy of the All-India Spinners' Association is contained in a Resolution passed on 10th October 1946. The terms of this Resolution are that the Governments and the Mill-owners in consultation with the Charka Sangh should so arrange that mill cloth should not be sent to those areas where hand-spinning and hand-weaving work is possible. In addition to this they should see that no new mills are set up and that no new spinning and weaving machinery is indented for the existing mills. It concluded its direction by saying that Government should make the necessary enactments to give effect to the above and carry them out.

Now, Sir, that at least was a recommendation. There is something more than a mere recommendation in what a great lover and protagonist of village industries said in a paper called the “ Gram Udyog Patrika ” which comes from Wardha. I refer to Mr. J. C. Kumarappa. He said :

“ With the support of the Provincial Governments, Textile Mills, Vanaspati Ghee Factories, Sugar Mills, etc. are shooting up like mushrooms. It is not a sufficient reply to say that the granting of licences to start certain of these factories were agreed to by their predecessors—the Adviser Regimes—It would be up to the popular Governments to reopen the question. What efforts have been made to do so ? Are these not straws that indicate the direction of the wind ? Is it not time that the policies of popular ministries were laid down definitely so that we may know the worst if that be in store for us.”

**THE HONOURABLE THE PRESIDENT :** May I know how long you are likely to take ? I do not want to stifle the debate, but I merely want to know.

**THE HONOURABLE SIR N. GOPALASWAMI AYYANGAR :** At least 20 minutes, sir.

The Council then adjourned for Lunch till a Quarter to Three of the Clock.

The Council re-assembled after Lunch at Quarter to Three of the Clock, the Hon. the Chairman (The Honourable Mr. M. N. Dalal) in the Chair.

THE HONOURABLE THE CHAIRMAN ( the Honourable Mr. M. N. Dalal ) : Debate will now proceed on the Resolution of Sir Gopaldaswami Ayyangar.

THE HONOURABLE SIR N. GOPALASWAMI AYYANGAR : Mr. Chairman, when we adjourned for which I had commenced to read out to you an extract from an article in the " Gram Udyog Patika " from the pen of Mr. J. C. Kumarappa. It says :—

" With the support of the Provincial Governments, Textile Mills, Vanaaspati Ghee Factories, Sugar Mills etc. are shooting up like mushrooms. It is not a sufficient reply to say that the granting of licences to start certain of these factories was agreed to by their predecessors—the Adviser Regimes. It would be up to the popular Governments to reopen the question. What efforts have been made to do so. Are these not straws that indicate the direction of the wind ? Is it not time that the policies of popular ministries were laid down definitely so that we may know the worst if that be in store for us ? If the Ministers are not clear in their own minds as to the social philosophy they are supposed to represent, it will be fair to themselves and to the people to lay down the reins of office. It is no use flirting with rural reconstruction in spare moments and being joined together in an unholy wedlock with exploiters who will not hesitate to ruin the countryside to gain a little profit for their miserable selves."

I read that out to you as indicating the attitude if those who are responsible for sponsoring the new policy. There has however been some modification of the rigidity of this policy so far as Madras is concerned and so far as the existing mills in Madras are concerned. The Prime Minister has said in a statement issued by him to the Press that the charge that replacements of machinery in the existing mills will not be permitted is a wrong understanding of his policy. He has said :—

" Till khadi developments become fully effective and widespread the Government will obviously want to maintain the existing mills in efficient condition and to maximise their production."

Gandhiji has also said that it should be clearly remembered that this new policy does not touch existing mills in Madras for the present, though he has very significantly added that "the whole mill industry might get affected if the khadi scheme spreads like wild fire, as I expect some day such a thing must come. Let not the capitalist rue the day when and if it comes."

So that really the relaxation in regard to existing mills is only for the present. We do not know what developments will take place after the khadi scheme has been in force over a considerable area. No relaxation, however, has been promised or indicated by the Madras Government as regards the expansion of existing mills or the establishment of new mills and yet without such expansion and the establishment of new mills the cloth shortage in Madras is bound to get very much more acute than it is now. In other words, the Provincial Governments are being asked so to order their policy as to contribute to the achievement of the result that is contemplated. It is argued that there is no point in giving active assistance and encouragement to the increased production of khadi unless new mills and expansions of existing mills are stopped and unless after substantial progress has been made towards the universalization of khadi steps are simultaneously taken to withhold even replacements of machinery in existing mills and to help those existing mills, so to speak, to wither away. A policy more utopian and less related to realities or to any probabilities of success it is difficult to conceive. The policy, however, cannot be ignored by us now on that account as, while it is being experimented with, it will cause avoidable and serious injury to the economic life of the country. That is my case for taking effective action to counter this policy at this very early stage. It is interesting to compare the figures of production and quantity available for consumption of mill and handloom cloth with khadi production in the country. In 1944-45 the net imports from abroad were only 5 crores of yards. The net production of mill cloth after deducting exports was 435 crores and the estimated handloom production 160 crores of yards. I ought to add here that the estimated khadi production for the years is 14 crores of yards. That figure I am not very sure about. I take it from a publication by a gentleman named M. P. Gandhi who has been a student of the

cotton mill industry for many years and publishes an annual. I think that is a mere guess, but it is as good a guess as one can get on a subject of that sort. The only reliable figure as regards khadi production that we have is that supplied by the All-India Spinners' Association. The latest figure I find in this connection is for the year 1940 when they said it was about 1 1/8 crores of yards from the centres of the Association. The 14 crores of yards of M. P. Gandhi is really an estimate of khadi production in the whole country. Now, according to these figures, khadi was responsible for only 14 crores of yards, or 140 million yards, out of the 6095 million yards of cloth available for consumption. And this result has been achieved after all the fillip that khadi's connection with politics has received and after 20 years' intensive work by the All-India Spinners' Association.

We have a few figures from Madras. The total cloth quota for Madras Province is 31,951 bales. This does not include khadi production. The provincial Textile Commissioner has, however, said that the three branches of the A. I. S. A. in the province are producing in all about 200 bales of handspun yarn, a bale being 400 lb., equivalent to 188 bales of khadi, each bale of cloth being 1,500 yards.

THE HONOURABLE MR. THIRUMALA ROW: Are the figures for a year or for a month?

THE HONOURABLE SIR N. GOPALASWAMI AYYANGAR: For a month.

The amount of khadi produced by private persons outside this organisation is the Textile Commissioner says, also negligible. The amount of khadi in Madras Province thus works out to 188 1,500 yards.

I have given these figures to show that in the cloth economy of this country khadi's place is now insignificant. Its unique service in the political field and in the promotion of a self-reliant, fearless nationalism is immeasurable. As the livery of freedom, a phrase for which the Leader of the Interim Government is responsible, as a revolutionary, non-violent upsurge in the cause of independence, the part the charkha and khadi have played is invaluable. But, in spite of the impetus it has had on account of its political affiliations, its net contribution to the cloth economy of the country has been poor. Its possibilities for giving employment to the agriculturist during his idle hours and thereby adding to his earnings until more remunerative employment can be found for him cannot be questioned. There is a wide field for a very large expansion of khadi work in the country without interfering with such extensions of the mill industry as are possible within the next 15 years in the present world conditions.

Roughly speaking, it has been calculated that khadi costs now twice as much as hand-woven cloth made out of mill yarn, and thrice as much as mill-woven cloth woven out of mill yarn. Cloth woven out of mill yarn is of greater variety, more durable and more comfortable. That is the reason why the ordinary man and woman prefer mill cloth. Yarn produced by mills is what the enormous majority of handloom weavers in the country want. They do not take kindly to khadi yarn. It is remarkable in this connection to observe that in 1940, in the centres run by the A. I. S. A. only 23.7 per cent. of the spinners engaged by them and only 68.2 of the weavers working for them were reported as habitual khadi wearers; the rest were apparently purchasing and using only mill cloth. I mention these facts to indicate that the expansion in khadi work that is contemplated is bound to be an uphill task and will depend on very intensive propaganda and persuasion.

Now, Sir, coming to the Resolution itself, I have stressed three or four points. The main thing is that we must provide for increased production. The handloom industry has to be specially helped. It must get full work. At present the yarn quota for the Madras Province is estimated to give handloom weavers only about 10 days' work every month. If the export of mill yarn to other provinces which now takes place from Madras is stopped, Madras handlooms could certainly get more work, but we have got to recognise that handlooms in other provinces would starve; and from an all-India point of view and the point of view of a proper distribution of yarn for weaving, that is not a consummation which one should wish for in the present condition of cloth shortage in the whole of the country. The

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demand for cloth and yarn has increased and will increase due to an increase in purchasing power and rise in the standard of living which we all look forward to, in connection with post-war development in many directions. A small export trade has been built up during war time and it deserves to be consolidated and further developed for the future, particularly because our raw cotton position is such that all the raw cotton that we produce in the country cannot be used up in satisfying our internal market alone. We must give preference in export to export of yarn and manufactured goods over export of raw cotton.

I have said something about the common man. The *per capita* consumption of cloth is pitifully low in India. It was on the average about 15 yards in 1944-45 for India as a whole. The quota allotted to Madras is however only 10 yards this year. The target of the National Planning Committee, as Honourable Members know, was 30 yards—the same as the target which the Bombay Industrial Planners had in view. The Bombay Planners intended to reach this target in about 15 years. The five-year plan recently sanctioned by Government aims at a target of 18 yards. This can be attained only by rehabilitation of existing mills, extension of their capacity, and the establishment of new mills. Such a development does not rule out the expansion of khadi which will have all the margin between 18 and 30 yards in the whole country and in the Madras province between 16.5 and 30 yards to

annex to itself if only it can. I do not think it will be able to do so, but khadi enthusiasts can have a try. Why then should there be any cry now that there should be no new mills and no new expansion? The new expansion has already been sanctioned by the Government of India who have made allocations of spindles and orders have been placed for machinery. The Interim Government, I find, recently indicated that it will not in any case go back on its own on the 4th May Resolution which was passed after full consultation with Provincial Governments and I hope that the spokesman on behalf of Government will categorically give that assurance on the floor of the House today. Will the Interim Government go back if a new Provincial Government now asks it to do so? Have the Madras Government asked it to do so and if so what orders has it passed? If they have not asked it to do so and if they ask it to do so in the future what attitude is going to be adopted? These require, I think, categorical answers.

The policy regarding new mills, in my opinion, was a very unnecessary post script to the Madras khadi scheme. In spite of the suggestion that it was intended to be a rectification of the "great flaw" detected in the scheme, I venture to think that, for the purpose of the khadi development scheme including the exclusion of mill yarn and mill cloth competition in the 7 firkas chosen for intensive experiment, it is wholly unnecessary to attempt to prevent the implementation of the Government of India's policy regarding increase of mills, spindlage and loomage for Madras based upon an all-India plan. The policy, I therefore contend, which the Madras Government has announced is in direct conflict with that which the Government of India gave effect to on the recommendation of the Khatau post-war planning Committee and which the Interim Government, I claim, has made its own. I hope that the Government spokesman will confirm it. In fact, the Interim Government has gone further and is taking steps to remedy as soon as possible another crying need of the mill industry, namely, the manufacture of textile machinery in India. With 417 mills already working and another 125 to be added in the near future it would be a crying shame if such an industry for manufacturing textile machinery is not established at the earliest possible date. The Interim Government is therefore, far from contemplating anything like a withering away of the mill industry.

Then, as regards the industry being Controlled on an all-India basis—

THE HONOURABLE THE CHAIRMAN (the Honourable Mr. M. N. DALAL): You might bring your remarks to a close. You have also a right of reply.

THE HONOURABLE SIR N. GOPALASWAMI AYYANGAR: I wish to draw your attention to the statement of industrial policy during the time of Sir Ardeshir Dalal. He put forth the policy of the Government to be that certain industries,

basic and key industries and certain consumption goods industries, should be brought under central control. Government considered that for achieving this object certain industries should be centralised and amongst those industries they included cotton and woollen textiles. I would also refer to what the Khatau Committee itself recommended and Government have accepted. They said :—

“ No plan could be prepared except on an all-India basis and we wish it to be clearly understood that if the Government of India cannot arrange for the compliance by all Provinces and States of the principles of this post-war plan, we are of the opinion that the whole question of planning for the expansion and construction of new mills in India must be abandoned.”

Textiles are a field in which both cottage and mechanised industry should participate and will continue to participate as long as one can see. But the relations between these two parts have to be carefully regulated. The National Planning Committee recommended such regulation on an all-India basis.

Then, Sir, I would only say this that if any consumption goods industry deserves to be brought under central control it is the cotton mill industry. It deals with a prime necessary of life. It has to be dispersed widely over the whole of India with a view to help industrialisation all over the country. It has constantly to look to the Central Government for tariff protection against foreign competition.

Now, Sir, with regard to the last clause of the Resolution suggesting federal legislation, that the law that I suggest could be passed by the Federal legislature goes without saying. It is permitted by the existing Government of India Act. But some people might question the constitutional expediency of undertaking legislation of that sort at the present juncture, when a new constitution is expected soon to be framed and it is highly problematical that item 34 in List I of the seventh Schedule of the Government of India Act will make an appearance at all in the Union list of subjects. Two alternatives I would suggest to Government for consideration in order to meet this point. If the Government of India, are not satisfied that they can effectively persuade all Provincial Governments against, and prevent them from, sabotaging the five-year plan they have already sanctioned, legislation should be undertaken at once subject to whatever fate might be in store for it under the new constitution if and when it comes into being. The other alternative is, if they are not so satisfied, they should get the Madras Government and similarly inclined Provincial Governments either to withdraw their previous announcements or to refrain from making new announcements of a similar nature.

I do not wish to go into the question of the details of the central control that should be exercised. That is a large subject and it would not arise until Government are clear about undertaking legislation of this kind. I would only say that, if such legislation is undertaken, central control should be the minimum, limited to planning, allocation and determination of productive capacity, on an all-India basis, of factories and reserving power to regulate distribution to Provinces of the total production in India and regulating prices when circumstances require such action. The legislation should also contain provisions to enforce conformity to the plan laid down by the Government of India. All other powers relating to the cotton mill industry might be either left to the Provincial Governments or be delegated to them under the federal legislation. Sir, I move.

THE HONOURABLE MR. M.W.M. YEATTS : (Industries and Supplies Secretary) : Sir, I find myself rather in a peculiar position today, as the Honourable Mover in his very full and very informed speech—I might quote him—said, I think correctly, that the Premier of the Province he refers to said that the Central Government would be informed ; well, beyond what we have read in the papers, the Central Government have not been informed. We are discussing, so far as I am concerned, Sir what has appeared in the newspapers of which we are all regular readers. At the end of his speech, just taking the same point, the Honourable Member suggested two alternatives, either go ahead now or get the Madras Government to withdraw, etc. One point is we are on a matter which has been a common policy for some considerable time. We have no formal intimation of a desire for a departure from it. I do not want to detain the House. The Honourable Mover has covered the ground of the Khatau allocation so fully that I shall



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not go over the same ground again, except to sum up. If I might quote from the distinguished organ of the Honourable Mover's Province, the newspaper *The Hindu* said that "India must have a common textile policy." That has been the position of the Government of India for some considerable time now and it is its position at present. It is rather like a case where the burden of proof is on the man who wants to alter that case. Basically we are talking on something that is hypothetical. Our policy in this matter has involved a very competent Committee surveying the whole field which had involved in turn participation of Provinces and States, because the States, as you know, have participated in this plan which is an all-India one; it has involved the allocation of spindles; it has involved allocation to Provinces and States; it has involved the placing of orders for machinery and the procuring of land for the erection of buildings and so on. I think it quite clear that a thing like that is like a big river that does go rolling along. At any rate there is no intention of throwing a dam across it. It is rather surprising; we have no serious proposal from a Government which participated in the plan saying that this Government has thought better for the following reason, perhaps this and that. We have nothing. Our position here is that what we have we have and where we are we stand.

Coming to the three points of the Honourable Member's Resolution, one might say that (a) covers the whole ground which resulted in the Khatau Committee's Report and the Government of India Resolution which all of you have read. I would just comment on one point. The Resolution draws particular attention to promoting the progress of the handloom industry adequately. One of the very few modifications which Government made in the Khatau Plan was to give more yarn for the handloom industry. It was the only appreciable modification and for the very reason which the Honourable Mover has put forward in his Resolution. On (b), the point is that this view has not been put to us on any grounds which we could consider seriously. Obviously it is going to upset very considerably our plan. It can only be done on a very serious presentation of the reasons, when we can get down to it and study—

THE HONOURABLE SIR N. GOPALASWAMI AYYANGAR : If I may interrupt the Honourable Member for a moment, does he contend that the Government of India are not to take notice of public pronouncements of policy by Provincial Governments which are in conflict with their own policy? Secondly, assuming that a Provincial Government does go forward without informing the Government of India and pass legislation or take administrative action in respect of new industries for which they have the power now, what would be the attitude of the Government?

THE HONOURABLE MR. M.W.M. YEATTS : The Government of India does take notice, and that is why I am speaking today. But there is a distinction. The Honourable Member himself said that the Madras Legislature, I believe, has had no opportunity yet of pronouncing on it and the Madras people, as reported in the press, are strongly in the opposite direction. It may well be I think that that Government might be in a position where it has made a statement which might go beyond or depart very widely from the degree to which its own supporters will follow. The actual crux of the decision of that Government will be presented in a representation to us to amend or withdraw their previous participation in the Plan.

Now, on the second point, one obviously has got to get this issue clear, and if the Madras Government do not write and clear it up, we shall have to consider writing and telling them, and to use a phrase generally used in another connection, we shall ask them their intentions; and the opinions of this House would be a very useful piece of background in that complicated question.

On the third point, the Honourable Member himself has, broadly speaking—suggested federal legislation without delay to declare etc. etc. It is important to get this clear. I will just repeat that this industry is at present Provincial. It has been declared, as the Honourable Member said, to be one which under that statement of policy which has been quoted should become a central responsibility. Under the present constitution it would be for the Central Legislature of which this House is a part to adopt legislation which would convey this particular industry from the Provincial

field to the Central field, Thereupon, under the present constitution, the Central Government would be able to pursue such a plan as we are discussing and would have the authority to pursue it.

Now on the actual steps to be taken to give effect or otherwise pursue that statement of industrial policy. You have the Planning Advisory Board which you will remember was set up recently. It met yesterday all day and it is meeting today and one of the points before it will be this one of the actual operations to be taken to convey power in that way under the present constitution from one field to the other and in which cases that particular transfer should be made. Now, I am not a member of the Planning Board and I do not know what are the actual contents of their discussion.

**THE HONOURABLE MR. M. THIRUMALA ROW :** Is it a statutory body ?

**THE HONOURABLE MR. M.W.M. YEATTS :** No. It was set up by Government recently, but it is a Board the function of which really to study things like these as a whole and to advise the present Government on the steps which it thinks necessary, among them being legislative steps like these. That is why I cannot stand and say here that that legislation will be adopted without delay, because that will be a matter obviously for the Cabinet to decide. It will be for the Cabinet to take it up and, if they so decide, to put it before the two Houses of the Legislature accordingly, but so far as I standing here can say, I can sum up the position by saying that we are where we stand and that the discussions in this House will be of very considerable value to Government.

**\*THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras Muhammadan) :** I am in general sympathy with the spirit of the Resolution. It is not necessary for me to speak at length about the necessity of encouraging and improving mill industry and particularly the cotton mill industry in the country. Sir Gopalaswami Ayyangar has given very cogent reasons for improving the industry in the whole country. He is also right in thinking that it is not in the interest of the people to put down such industries in a Province or to do anything which will go to militate against the interests of this industry and this particularly in view of the fact that the cloth available for use in the country is very far short of the demand for it.

Again, he has made a very strong case on behalf of the mill industry by quoting facts and figures which go to show that in spite of the expansion of the present cotton mill industry and also of any new industries which may come into existence there will be enough scope for the handloom industry to grow in the country and prosper. On all these grounds, Sir, it is quite obvious that nothing should be done now to interfere with the natural growth of the Indian mill industry in our country. But, Sir, one point which makes me hesitate to give my complete support to this Resolution is the fact whether we have the power to enact legislation in this respect. Industry is a provincial subject and on that account the Central Legislature has no authority to take up the legislation which is recommended in this Resolution.

Again, Sir, as the Honourable the Mover has himself admitted under the propose new constitution "Industry" is not one of those subjects which will have to be administered by the Central Union. On these grounds, Sir, I feel doubtful whether such a legislation could be taken up now.

Again, the Honourable Member who has spoken on behalf of Government has told us that nothing in the regular or formal way has come to the notice of the Government as regards the policy which has been adumbrated by the Madras Government and it is highly necessary, as the Honourable Sir Gopalaswami Ayyangar has stressed, that every step should be taken to press the Madras Government to reverse its policy. There is already a storm of protest in the Madras Province against the policy which has been indicated by the Premier of the Government there.

Let us, therefore, hope that the Government of Madras will be persuaded to allow itself to be guided more by facts than by idealism and that they would stop short of taking practical steps in the direction which the Premier there has announced.

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\* Not corrected by the Honourable Member.

\*THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces : Northern : Non-Muhammadan) : Mr. Chairman, the Resolution which my Honourable friend, Sir Gopalaswami Ayyangar has brought forward is one of urgent importance. The pronouncement made with regard to the ultimatum replacement of mill-made cloth by khadi and the refusal of the Madras Government to allow the production of mill-made cloth to be increased are matters which interest not merely the people of one Province but the people of the entire country. It is, Sir, difficult to understand the reasons which have led the Madras Government to accept the policy propounded by Mr. Prakasam. Let us first understand and clearly what Mr. Prakasam's policy is. It is not according to his own admission one of general opposition to the use of machinery. On the contrary in a statement repudiating the criticisms to which he had been subjected by his critics he points out that he recognises that there are certain industries which must be encouraged by Government. To make this clear in his Yerraguntapalam speech he said that :—

“ the Government realise that many key and large scale industries are essential for our economic development and that they will encourage them.”

Apparently he thinks that the only large scale industry which it is not necessary or desirable to encourage in connection with the general economic development of the country is the cotton mill industry. Now, even here he has pointed out that he was not against the replacement of worn out machinery in existing mills. Replacements, he said, were definitely declared to be outside the post-war plan, that is the plan recommended by the Khatau Committee, and the Government of Madras have said nothing to give any room for the misapprehension that replacements for maintaining the existing spindleage in the province will not be permitted. “ Till khadi becomes fully effective and widespread, Government will obviously want to maintain the existing mills in an efficient condition and maximise their production.” The sentence of death on the existing mills will be pronounced only when sufficient cloth is produced under the khadi scheme for the needs of the people of Madras.

Now, Sir, it is admitted on all hands that there is shortage of cloth in the country. We need no statistics in order to assure ourselves of that. The experience of every one of us, the difficulty which we meet within obtaining cloth of any kind and the black-marketing that is freely going on in connection with it, from the mills where cloth and yarn are produced right down to the retail seller, are all well known both to the public and the authorities. There is need, thus, for the production of more cloth as quickly as possible. In this connection I should have thought that every Government would try to use all the means at its disposal in order to provide as much cloth as is practicable. It is not necessary, in order to encourage the khadi industry, to stop the expansion of the textile industry or to resolve that ultimately khadi shall replace all mill-made cloth. The production of khadi in the country is at present too small to be taken seriously into account. Apart from this, according to the Fact-finding Committee's report, it is desirable that in what it calls the south deficit zone, about 224 million yards of additional cloth should be manufactured. Of this, about 22 million yards would be for export and the rest, amounting to a little more than 200 million yards, would be for internal consumption. Now, if we are to produce this cloth, which has been calculated not on the basis of 30 yards per consumer, but only on the basis of 16 yards per consumer, within a reasonable distance of time, I think it is necessary that mill production should be encouraged. So much new cloth is required that there is room for the development both of the textile mill industry and the production of khadi cloth.

No sound economic reason has been given for the decision suddenly come to by the Madras Government. I think it has been said by Mr. Prakasam that the production of cloth woven from handspun yarn is necessary in order that the villages may be made self-sufficient in respect of their primary needs. I do not know whether this general theory can be supported by any convincing reasoning. I do not know what self-sufficiency means. I can understand that at a time like this the country as a

\* Not corrected by the Honourable Member.

whole should take steps to produce sufficient food and cloth for its own needs ; but that we should forget the advantages of the distribution of labour and make every small region self-sufficient in respect of both these things is, I think, something which will not be accepted by an overwhelming majority of the people in the country. We certainly all want that the prosperity of the villages should be increased, that more employment should be found for the people. But the best way of doing this is to reduce the number of people on the land and find alternative employments for them by expanding existing industries and starting new ones.

It has been said that our agriculturists are idle for several months in the year and it has therefore been proposed that the khadi industry should be started as a subsidiary industry. No one will have any objection to that. But it is surely deplorable that the existing state of things should be allowed to exist. Our aim should be than, not to limit the manufacture of cloth in the mills, but to increase industrial production of all kinds to such an extent that a number of people who cannot earn sufficient money for themselves at present should be enabled to do so. If more industries are started, there will not be much need for a subsidiary industry of this kind. There will remain some people who will be employed agriculture. But I take it that owing to the re-organisation of agriculture their economic position will become much stronger than it is today and that they will, as their education increases and as greater opportunities are placed within their reach by a sympathetic Government, find means to add to their income by making use of their agricultural products to turn out finished articles. For these reasons, Sir, I cannot approve of the scheme propounded by the Prime Minister of Madras on behalf of the Madras Government and I am glad to learn from my Honourable friend Mr. Yeatts that the Government of India have not changed their policy in regard to the manner in which more cloth should be produced. He has pointed out some difficulties in the way of the Government in accepting the Resolution brought forward by my Honourable friend Sir Gopalaswami Ayyangar. I recognise the force of his reasons but I should certainly have liked him to have been a little more explicit and forceful in defining the policy of the Government of India. Apart from this, the matter is so serious that I should have expected him to say that unless the Madras Government themselves suggest consultation between their representatives and those of the Government of India, the Government of India would invite the Madras Government to consider the matter carefully. The matter is one that affects not merely Madras but the whole of India and it is imperative that the Government of India should point out the seriousness of the position to the Madras Government. Taking the position of the present Central Government into consideration I have no doubt that its views will receive the serious consideration of the Madras Government. I hope that my Honourable friend Mr. Yeatts will make it clearer to the House than he has already done that the Government of India propose in the first instance to use all persuasive methods in order to convince the Madras Government of the undesirability of the step that it has taken. We do not know what the recommendations of the Planning Board will be. We hope that it will recommend that the cotton textile industry is one which ought to be brought under central control not with a view to fighting the Government of Madras but in view of the importance of the industry to the whole country. I do not know how long the Board will take to produce its report. In the meanwhile the Madras Government may take irrevocable steps in the direction in which Mr. Prakasam proposes to proceed. I think, therefore, that the Central Government, instead of waiting to be approached by the Provincial Government or for the report of the Planning Board, should take immediate steps to get into touch with the Madras Government and invite them to consider the matter more seriously than apparently it has so far been considered. I hope that my Honourable friend Mr. Yeatts will give us this assurance. As Sir Gopalaswami Ayyangar has pointed out, though the matter affects one province today, it may affect many more provinces tomorrow and the Government of India cannot remain merely as silent spectators of the scene, if I may say so. If today the Provincial Government said that they would not use tractors or artificial manures but would allow only the use of the ordinary ploughs and compost in order to develop agriculture, I am sure the Government of India will have some thing to say in the matter. In the same way, I hope that the Government of India will indicate to us that its attitude is more positive than the speech of the Honourable Mr. Yeatts has led us to believe.

[ Pandit Hirday Nath Kunzru. ]

Sir, with these words I give my general support to the Resolution so ably moved by Sir Gopalaswami Ayyangar.

THE HONOURABLE MR. M. THIRUMALA ROW (Madras : Non-Muhammadan) : Mr. Chairman, the Resolution so ably moved by my Honourable friend Sir Gopalaswami Ayyangar wants to arm the Central Government with extraordinary powers to over-ride the opinions of the Provincial Ministries and yet the Provincial Ministries are supposed to enjoy a greater freedom and autonomy than the Central Government. The Central Government is now functioning under the Act of 1919 by the good will and sufferance of the Viceroy whereas the Provincial Ministries have come into existence as a result of the Act of 1935 and enjoy a certain measure of freedom, and he asks such a Government as this, whose moorings have not yet been sufficiently realised by the Members of the Government themselves, to undertake legislation or take a course of action to over-ride a certain policy that has been announced by the Prime Minister of Madras. It has yet to be approved by his Legislative Assembly. The Resolution, I am afraid, is not very happily worded because the last clause says :—

“...federal legislation be undertaken without delay to declare that the development of the cottonmill industry under federal control is expedient in the public interest and to provide for his development in the interest of India as a whole and on nationally planned lines”

If Mr. Gopalaswami Ayyangar had taken kindly to khaddar and mentioned something about khaddar in his Resolution, I would have been disabused of the apprehension which troubles me that this Resolution is aimed at completely killing khaddar by the mill industry.

THE HONOURABLE SIR N. GOPALASWAMI AYYANGAR : Is it the Honourable Member's suggestion that I should have recommended that the control of the khadi industry should also be brought under the Centre ?

THE HONOURABLE MR. M. THIRUMALA ROW : My fear is perhaps he might have unwittingly done it, but the indirect result will be, if his Resolution is accepted and acted upon, to kill khadi outright and encourage only mill industry. He had made no provision in his Resolution to make clear his intention that he does not want the extinction of khadi altogether but that both khadi and the mill industry can exist side by side and get developed according to the statement made recently by one of the Ministers in Bombay. There is room for the mill industry as well as khadi. As one who has been consistently using khaddar for the last 26 years I can very well tell my friends who trot out the argument that khaddar does not cater to the tastes of people that it is not borne out by experience. People wearing khaddar can clothe themselves in the most up to date and fashionable clothes satisfying all their dandy feeling. Our experience is that khaddar is not only the livery of liberty but it has also helped the poor man to a large extent. In a village in my district Nagulapalli, the entire production is monopolised by the Bombay millionaires. It is one of the finest producing centres that takes more than Rs. 2,000 as wages every month. That means it has been taking nearly Rs. 25,000 wages every year for the last 20 years—that village alone. The finest handiwork of khadi still remains in Andhra and it produces yarn of 80, 90 and 100 counts purely spun by hand and woven by hand. That ancient industry still remains unimpaired in Andhra Desha and some families retain as heirlooms sarees 100 years old, sarees completely woven and manufactured by hand. The industry has survived the onslaughts of the mill industry for a long time ; but whether the economics of it is sound is a question that has to be deeply considered. With the voluntary effort which has been made all these 25 years, I think they are able to produce about 2 to 3 crores worth of khadi every year. But what my Honourable friend Sir Gopalaswami Ayyangar wants is State protection, State organisation and State drive, which is another word for coercion. If the same State protection, State organisation and State drive is given to khadi, there are people who believe that khadi can be universalised and at the same time avoid the evils of over-centralised industrialism. The basic wages of the labourer have not considerably improved. The Honourable Mr. Kunzru says that instead of allowing a large number of people to be dependent on land and agriculture you should

transfer a portion of that labour to the mill industry. But you see the black spots of industry in Bombay, in the chawls of Bombay and in the busties of Calcutta, where life is miserable. You can go and see that the basic wage of these people is only 4 or 6 annas. All the other extras they get is by dearness allowance and extra allowances.....

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU:** May I ask my Honourable friend whether the defects that he has pointed out are inherent in industries? Does the experience of other countries bear that out?

**THE HONOURABLE MR. M. THIRUMALA ROW:** My complaint is that the Honourable Mover and his supporters have not suggested; it is for them to suggest a better way of industrial planning and a better industrial life for these poor labourers. They have completely ignored, in their enthusiasm to support the mill industry, the conditions of labour. I am going to give my suggestions about that also. How the cotton mill industry has developed and come to the present stage I want the House to go into. The Swadeshi movement, the Boycott movement, the burning of foreign cloth movement in 1921 and the Khaddar movement has created a spirit of swadeshi in this country. We have been depending on foreign countries for our cloth supplies entirely to the tune of 60 to 70 crores of rupees. Today hardly 5 or 6 crores worth of cloth is imported from abroad and all the 56 crores of income is retained in this country and all this goes into the pockets of the mill industry. The mill industry, I may tell you, has gained by the national spirit in this country and by the national movement in this country and when a man is asked to wear hand-woven cloth, he comes out and says "If I am not able to wear khaddar, I am at least wearing Indian mill cloth." You have created an atmosphere in this country that to wear any cloth except even the Indian mill cloth is a crime. The Indian mill industry has gained to such a great extent. And what have they done during the years 1940 to 1943? Have these Indian industrialists stood by the country? I want to put a straight question to these millionaires and multimillionaires who have grown fat and fat at the cost of the country. The poor man in the street could not buy a dhoty for Rs. 11 or Rs. 12. The whole thing has gone to the black market. Go to Coimbatore, Ahmedabad and Bombay. How many people have acquired enormous wealth with which they do not know what to do. They have gained by the sufferings of the country. All this spirit has been created by Gandhi and the Congress and its sacrifices. During every movement, in 1922—I have got personal experience of these movements—in 1930, 1932, 1941 and 1942, every time you send lakhs of people to jail, the mill industry has thrived by selling millions and millions worth of cloth. What have they done? Have they improved the lot of these poor labourers? Not at all. You see the report about strikes. In one year they had 25 strikes in the mills. Look at the amount which is lost per month. I do not shed crocodile tears for the mill industry. It must be controlled. You must now consider whether this industry deserves any support from the State as long as it goes on exploiting the poor people, both the labourers and the consumers. You must consider a plan if Government were to insist on having control over this industry where labour and capital must have equal partnership and control over this whole industry. You must insist on minimum or maximum wages for the labourers and also minimum profit for the producer. The Delhi cloth mills in one year made a profit of 36 lakhs and paid income-tax of 24 lakhs. Wherefrom all these profits come to the mill-owners? Some of the mill-owners change their Rolls Royce cars every year and the poor labourers are there in the same old chawls and busties of the city. I am not worried if this mill industry under the present conditions were to continue. It is for the State to enter and see that a wholesome and complete revolutionary change is brought about in the conditions of the industry. With regard to khadi, I may tell you that khadi is not such a thing that can be lightly treated. Every economic planning that is designed to improve the condition of the country requires the force of State behind it. No country has achieved planning without State interference. In the most democratic country, whose democracy is upheld as an example to the world, Great Britain, the Labour Government is going to nationalise its heavy industries; they want to nationalise the iron industry, the coal industry. You can nationalise the textile industry also. But when you nationalise I want to say that

[M . M. Thirumala Row]

mills are not the only means of production of cloth. I have got personal experience of people spinning. You see the wages are not sufficient ; there is a lot of unemployment. Have the Commerce or the Labour Department got a proper estimate of unemployed people in India ? Can anybody give us statistics of the crores of people that go about unemployed ? In an unemployed family if each woman spins 2 hours a day, 4 women can produce 8 hours work a day. I have seen it in the villages. They are big centres. The Madras Government has taken up only those centres where khadi is already produced on a large scale. Production can be increased still further. They have appointed officers, men who are qualified for the job and they are now increasing their productive capacity. Therefore what I say is this. This is a problem which cannot be dealt with piecemeal in Province. This has to be organised for the whole country and a policy of developing the heavy industries as well as the cottage industry in a manner that each co-ordinates with the other, each supplements the other, can be planned for this country. For this I agree that the Government should take a hand in it and shape its policy but from what I see now the Government do not seem to be ready with their opinion on this matter. It is a Government of people with slightly different ideologies. The Congress is wedded to khadi and I do not know what the ideology of the Muslim League is with regard to—

4-5 P.M.

THE HONOURABLE MR. GHAZANFAR ALI KHAN : The same.

THE HONOURABLE MR. M. THIRUMALA ROW :—because we know that millions of Muslim workers are producing khadi. If you go about in Delhi, if you go to Benares you will find that where the suppleness of fingers has still survived the onslaughts of western manufactures the handicraft workers, the silver workers, the lace workers are all Muslims who have still retained the great capacity for their art for which they got patronage during the Mughal times.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : But who has opposed the production of more khadi ?

THE HONOURABLE MR. M. THIRUMALA ROW : My point is that it is not clear. The ultimate effect of this Resolution will be killing of khadi. That is what I expect.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Both my Honourable friend the mover and I pointed out that there was no competition between the two and that while it was desirable to encourage khadi it was undesirable to stop the expansion of mill-made cloth. That is all that we have said. We have not said one word which could lead any reasonable person to suppose that we had opposed the production of more khadi.

THE HONOURABLE MR. M. THIRUMALA ROW : I may tell my Honourable friend that khadi has suffered by a sort of neglect from the other speakers. Therefore, I had to take it up and tell them that the industry of khadi can be universalised under certain conditions and if those people who have got faith in it come to the helm of Government I think they can demonstrate to the world that this cottage industry can be made universal and avoid all the pitfalls of modern industry. (*Interruption.*)

THE HONOURABLE THE CHAIRMAN (Mr. M. N. DALAL) : I would request Honourable Members not to interrupt the speaker.

THE HONOURABLE MR. M. THIRUMALA ROW : I wish the Honourable Members who interrupt are not allowed to enter the House !

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : It is not the Honourable Members who have interrupted.

THE HONOURABLE THE CHAIRMAN (Mr. M. N. DALAL) : Please bring your remarks to a close.

THE HONOURABLE MR. M. THIRUMALA ROW : With regard to mills, Sir, I do not call it exactly panic but a sort of fear complex is being sought to be created here. Where are the Mills coming from ? Where are the spindles coming from ? I do not know from where you want to get them. Mr. N. R. Sarkar went to England

on a mission of purchasing machinery for 20 mills for Bengal and he has returned empty-handed. Is machinery available in England or in America or anywhere else? I know that the prices which they had quoted in the beginning of the year were enhanced four times in the year. They want to make capital by raising the prices and to make profits out of the necessities of this country and looking to the prices which they are now quoting I wonder whether it will be profitable to import machinery and start mills. The Madras Government, from all that has fallen from Mr. Yeatts, have not yet formally written to them. They have not yet formally written to you giving up their spindles. The only thing is that Mr. Prakasam is thinking a bit loud. He has announced his policy and he wants to know how far he will be able to push on with the khadi programme. You are not able to produce mill cloth and you do not allow him to produce khadi also. I have seen in villages khadi as coarse as gunny bag being taken because of the scarcity of cloth. It was worse than gunny bag and it was being taken away by merchants for sale because there is so much of scarcity of cloth. Now the Madras Government is coming to the aid of the people for stepping up the production of khadi. It is not in any way minimising the importance of the mill industry because in the second statement which my Honourable friend, Sir Gopalswami Ayyangar, has read out which was made by the Premier of Madras, he said he does not want to impair the productive capacity of the existing mills. He has given them all facilities for renewal and improvement.

With regard to new mills you are not going to get any machinery. All politicians have got different meanings and different contexts. I do not claim to know Mr. Prakasam's mind. He has announced his policy from a village called Yerraguntapalam, where he has been trying the self-sufficiency experiment for the last 16 years long before he dreamt that he would be a Minister. But he believes in it. He has been trying it. He has got certain fads. He believes in barter and exchange. He wants to exchange cloth with foodstuffs. He has started an establishment in Bezwada. He is doing all these things with some faith that he will be useful in enhancing the importance of the khadi industry in coming to the rescue of the people. Therefore, there is no immediate danger. What I suggest is that the Government of India has just now been fully formed. They do not know their own minds yet and they must have some time, I think, to give a lead. Mr. Yeatts' speech does not lead us anywhere. He too seemed to be groping in the dark about the minds of the Government of India. There is no use finding fault with Mr. Yeatts or the Government of India. I suggest therefore that the consideration of this Resolution may be deferred to the next session, the Budget session, when many things will get cleared up and we can have a more comprehensive and unanimous resolution on the subject.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA (Bihar : Non-Muhammadan) : We have heard unfortunately from the Honourable Mr. Thirumala Row what I would call an election speech.

THE HONOURABLE MR. M. THIRUMALA ROW : I am not afraid of elections.

THE HONOURABLE RAI BAHADUR SRI NARAIN MAHTHA : I would call it theatrical. In fact, I found his speech to be completely irrelevant to the Resolution. The Resolution does not oppose khadi. I have read and re-read the Resolution and I wish to assure everybody here that the mover of the Resolution and the supporters of the Resolution are all in support of khadi. But the point is that if Mr. Thirumala Row had said that Madras has enough khadi to clothe every Madrasi I should have asked the Honourable Sir Gopalswami Ayyangar to withdraw the Resolution, but that is not a fact. Madras today has not got enough khadi to clothe more than about 5 per cent. of Madrasis and we do not know whether in the course of the next 10 or 15 years there will be enough khadi in Madras in spite of the enthusiasm of khadi producers to clothe more than another 10 per cent. There is certainly, Sir, a great deal of sentiment behind khadi. Khadi has great sanctity about it; it has great sentiment about it. I consider khadi a symbol of self assertion. It has become a symbol of our national struggle. It is the first thing that Gandhiji gave us and we want to keep it. We want everybody in India to wear khadi but enough khadi must be produced before every man can wear it. In fact, Sir, I have read and re-read the Resolution and I find there is nothing in the Resolution—not a word—to impede the production of khadi. But so long as enough khadi cannot be produced, something has got to be done to see that people do not remain naked. The Resolution does not



[Rai Bahadur Sri Narain Mahtha.]

tell anybody to wear foreign clothes. It does not go against the sentiment of Swadeshi, and I do not know why it was suggested by the Honourable Member Mr. Thirumala Row that it would introduce the foreign competitor again into the Indian market. No such situation will arise if a Resolution like this is accepted.

That is all I have to say with regard to this Resolution, and if the Government of India have not made up their mind on this question, instead of Sir Gopaldaswami Ayyangar postponing his Resolution for consideration on a later date, I would request the Government of India to remain neutral on this question and let the Resolution be carried. If within a month's time they hear something more definite from the Madras Government, they will have this Resolution as well before them, and they can consider it then together with the Madras Scheme when it crystallises further and take stock of the situation. The problem is a vast one and is an all-India problem and no province can be allowed to easily break away from an all-India policy on a vital question like this.

THE HONOURABLE Mr. G. S. MOTILAL (Bombay Non-Muhammadian) : Mr. Chairman, personally I think the Resolution is rather too hasty. I will give my reasons. The Madras Government has not yet taken any definite decision as to total prohibition of expansion of the mill industry in that province. The Prime Minister of that province has announced his intention and that, I think, of his Cabinet also, that they intend to stop the expansion of the mill industry in that province. The reason for it is this. They are in dead earnest to improve and expand the production of hand-made cloth which is known as khadi, and they also have taken the view that it is necessary for that purpose that there should not be any more expansion of the mill industry, as mill-made yarn will compete with hand made yarn. This view of the ministry is subject to the approval of the Legislature. The Madras Legislature has not yet accorded its approval to this policy.

There are two views, very honestly held. One is that put forward by my friend Sir Gopaldaswami Ayyangar, that there is room both for the mill industry and for the hand-spinning and hand-weaving industry in the country, and that there is no competition between them and both can thrive side by side. There is another view which has been very ably put forward but is not so generally known. That view is that the mill industry, at any rate its expansion, would come in the way of the hand-spun and hand-woven cloth industry. The Madras ministry and the people of the province should decide for themselves what is best in their interests. I should be very reluctant to take any step at the very first stage and tell them : "You are proposing to adopt a certain course and a certain programme, and we will step in and stop it". It is a responsible ministry. They know their responsibility to the Legislature. If the Legislature is not with them and is not prepared to stop the expansion of the mill industry, will the ministry be able to go ahead with their idea ? Surely not. The proper step which my, Honourable friend, Sir Gopaldaswami Ayyangar, as a constitutionalist should take in the first instance is to persuade the ministry of his own province, to abandon this policy, to point out to them the flaws of this policy and tell them how it is not in their interest; and secondly, to persuade the electorate of that province not to support it. It is a very intelligent province. The electorate is an intelligent electorate. They appreciate the sentimental value which attaches to khadi because of the reasons given by the previous speakers ; so they want to support khadi. But they also have sense enough to understand that if khadi is not going to solve their problem, and at any rate until khadi promises to be in a position to supply enough cloth to the exclusion of the mill industry, they would tell the ministry and the members of the Legislature "We first want cloth. Give us khadi if you can. But if you cannot give us khadi, give us mill cloth". That is the view which the electorate should be made to put before the Government of that province. If the ministry follows a wrong policy, surely they will have to answer to the electorate.

In our country we are all faced with a very large and very vital and important issue—the issue of freedom itself. There can be no difference on this issue. We are all agreed and united. But on an economic issue like the one we are discussing in this House, there may be, in the Congress Party itself, division of opinion,

and opposition formed. These issues, after all, lead to the formation of parties on economic grounds. If the people of Madras are all agreed and united that there shall be a certain programme for the province and that that shall be the only programme for it then it will be unwise to interfere. It will have to be seriously considered by the Central Government : are we to go and override the wishes of a province? Are we to impair their responsibility to their electorate? It should not be open to them to say : "We were going to follow this policy of patriotism, but the Centre is unpatriotic and it has overruled us." We should not give them an opportunity to take shelter behind the Centre. I think Sir Gopaldaswami, Ayyangar, as a constitutionalist, would attach some value to this point of view. He must throw the burden of carrying out a good policy or a bad policy on the proper persons who are responsible for it. There may be a storm of opposition from that province to any measure which the Centre may adopt in opposition to their policy. If they know that the Centre is going to interfere and tell them : "No, no ; whether you wish or do not wish to import mill machinery, we are going to make you import it," well, they will take shelter behind the Centre and will not face their own electorate and will not be discharging their responsibilities to the people.

I, therefore, think that this is rather a hasty Resolution. The Honourable the mover should have given time to the legislature of his own Province. I understand that there are differences of opinion there. They are meeting some time in December. Two or three months do not matter on a vital question like this ; there is not much urgency at all in this matter. In one way it might be a blessing in disguise. If an order is placed for a mill at the present time, you might get public subscriptions from an incredible number of people, and might float a mill paying four times the price. There is a great deal of force in the view expressed by one of the industrialists some time back. He said: The mills which are started today will have to face very serious times if they pay 4 and 5 times the price. I know something about this industry. You cannot now place any order for any definite delivery. They want you to place an open order. They tell us that for three years we need not write any letter to them as to when delivery will be made. No stipulation about delivery. They say that after three years, delivery will be made if and when they are in a position to do it. Having regard to all these facts I do not think there is any urgency to bring forward this Resolution in this House today. First and foremost, we must put the responsibility upon the men in the Provinces. Let them come to a decision and then let us consider whether we can go to the length of telling them that they are wrong and we shall superimpose our view upon them. If they are wrong let them face the consequences. People will rise up within six months or a year against them and say, "We do not want your Ministry". That is the right way to deal with the situation. Sir Gopaldaswami Ayyangar, or if not he, men of his way of thinking, will be able to say, "This Ministry has brought disaster upon us ; therefore turn it out and let us try another. That is how political parties in other countries have arisen. Unfortunately, in our country, we were not in that position so far. The power and responsibility remained with the Government and we had to remain in opposition. Now, let us do something else. Supposing the Party today in the Government is in the wrong, the opposition should convince the province and occupy the position which that Party occupies today. We should work to that end. I think the Resolution had better not be pressed. It is too early, too premature. They have hardly even got the consent of their Legislature. I am sure that these aspects will receive from the Honourable Sir Gopaldaswami Ayyangar the consideration which they ought to.

THE HONOURABLE SIR N. GOPALASWAMI AYYANGAR : Sir, my Honourable friend, Mr. Thirumala Row, referred to certain points in respect of which I do not think much of an answer from me is necessary. I have made it perfectly clear several times in the course of my speech that my own view was that there is very great scope for the expansion of khadi and that it need not mean any interference with the expansion of the mill industry. I have not contended and shall not contend that any spoke should be put in the wheel of the

[ Sir N. Gopalaswami Ayyangar. ]

expansion of the khadi industry. On the other hand, I even went to the length of expressing my disagreement with a view which I quoted of a very eminent person who said that after all khadi could be only a transitional affair. I thought I said emphatically that I was not prepared to go that length and I repeated that khadi would endure for quite a long time to come. The text of the Resolution confines itself to the cotton mill industry. Of course it was intended only for that industry. I also, I think, in the course of my speech said that, in the field of cloth production, both hand-made cloth and cloth made in mechanised factories had a part to play and it was wisdom on the part of any Government so to order their policy as to regulate the mutual relations of these two parts of the production set-up. He referred also to conditions in the cotton mills as unsatisfactory, that millowners are making unduly large profits in the black market and amassing money at the expense of the poor man in the country. I am all with him in Government taking such powers as would prevent this sort of thing not only in the cotton mill industry but in every other industry in this country. But that is altogether a different affair. We have got to reckon with the fact that the cotton mill industry is producing the great bulk of the cloth that is required for consumption in this country and you cannot view the prospect of its being killed with anything like equanimity. That is all that I was interested in putting forward.

Nationalisation of the mill industry was mentioned. If it is possible to bring that about, let us bring it about not merely for defeating grabbing shareholders and managing agents but also for promoting the interests of the workmen. By all means let us do that sort of thing. But whether nationalisation should mean State ownership or whether it should mean effective control to bring about better conditions is a matter on which opinions are likely to differ in relation to the cotton mill industry. I have a recollection that Mahatma Gandhi himself, when the question was put to him, preferred that the cotton mill industry should continue in private hands but effectively controlled, and that it should not be taken over under the ownership of the State.

An appeal has been made to me by the Honourable Raja Govindlal. I see the point he was trying to make, namely, that the initial attempt should be to get the Madras ministry to reconsider its policy, that, if there was any hesitation on their part, an appeal should be made to the Legislature of the Province and that, if the Legislature was not quite amenable to good advice, I should proceed to the electorate in the Province. A more acceptable constitutional dictum cannot be enunciated. But the Honourable Raja Govindlal may rest assured that these various steps are not being forgotten. When this wonderful policy was announced, an attempt was made to mobilise public opinion against it and an appeal was made to the Prime Minister himself, who made that statement, to take it back and try to conform to the policy of the Government of India which the Madras Government had themselves previously accepted. There is the other question: The cotton mill industry is one of those industries which should be planned, controlled and guided on an all-India basis. It is not merely a question for a single Province. It is a question for the whole of India. Assuming I appeal to the local authorities or units that were mentioned by Raja Govindlal; supposing the Madras Government takes a decision which is in conflict with the all-India policy. Now when you concede the position that the planning and the control should be all-India, you also concede the position that no particular unit in that India should be allowed to break away from a policy which is enunciated in the interests of the whole country. What will happen if tomorrow Bombay broke away from this Resolution of the Government of India of the 4th of May, which assigned to Bombay only a very small quota of spindlage though Bombay applied for a much larger quota? Supposing Bombay should break away from that and say "We have got the money, we have got the skilled labour; we have got all the experience of this industry behind us; we are in an area where properly the largest number of additional factories should be established". Supposing Bombay takes that view, are we, speaking

on behalf of India as a whole and believing in all-India regulation of such an industry, give way to Bombay opinion? I should certainly say 'on' It is all right for you to say "You must persuade Madras". We will certainly try to persuade Madras. But there is another aspect to the whole thing Madras opinion alone should not decide the fate of this new policy. It must be decided on an all-India basis. And who else can do it than the Legislature which speaks for all India? That is the reason why I have brought this Resolution up in this House. I think myself and the Government of India are absolutely at one. They have been acting on an all-India basis. I want them to continue to act on an all-India basis.

THE HONOURABLE Mr. G. S. MOTILAL : Not on the point of Federal Legislation.

THE HONOURABLE SIR N. GOPALASWAMI AYYANGAR : If in the course of their acting for all India there is a breaking away from their policy by a particular Unit, should they not arm themselves with the power of bringing that Unit into line with the all-India policy? That is the only thing that I want to secure by this Resolution. The only suggestion I could make was that, if by administrative persuasion you are unable to do that sort of thing, the only alternative that is left to you is to undertake legislation which the present Government of India Act permits. You have to take power. Let this Legislature declare that this industry is one which should be brought under central control in the public interest. Arm yourselves with the power. No doubt before you decide a policy for all India, you consult all Provincial Governments. In your Legislature all Provinces are represented.

THE HONOURABLE Mr. G. S. MOTILAL : They were in agreement with this policy. Now they are probably likely to differ.

THE HONOURABLE SIR N. GOPALASWAMI AYYANGAR : True. That is why I said they were in agreement. They have expressed disagreement now, one particular province has. The question is—

THE HONOURABLE Mr. G. S. MOTILAL : Are we to override?

THE HONOURABLE SIR N. GOPALASWAMI AYYANGAR : If you believe that that policy is good on an all-India basis for the country as a whole, you must have the power to override and I ask you to arm yourselves with that power.

THE HONOURABLE THE CHAIRMAN : (The Honourable Mr. M. N. Dalal): The question is that the following Resolution be adopted.

"This Council recommends to the Governor General in Council —

(a) that the continuance in a state of up-to-date efficiency of Indian cotton mills (both spinning and weaving), and their expansion as well as the establishment, in properly sited localities in provinces and States, of new mills, in accordance with a national plan are imperatively necessary for preserving and promoting the progress of the handloom industry for meeting adequately the growing internal demands for yarn and cloth, for building up a promising export trade in manufactured cotton goods, and above all for raising the standard of living of the common man both in the cities and the countryside;

(b) that the threat to the Indian mill industry which one Provincial ministry had sounded already, and which, there is reason to fear, might be sounded by other Provincial ministries also deserves to be effectively countered; and

(c) that, therefore, federal legislation be undertaken without delay to declare that the development of the cotton mill industry under federal control is expedient in the public interest and to provide for this development in the interest of India as a whole and on nationally planned lines."

The Motion was adopted.

#### RESOLUTION RE AMENDMENT OF THE INDIAN LEGISLATIVE RULES

THE HONOURABLE THE CHAIRMAN (Mr. M. N. Dalal): Before you move your Resolution, Mr. Motilal, may I point out rule 14 of the Council of State Manual which says—

**THE HONOURABLE Mr. G. S. MOTILAL (Bombay : Non-Muhammadan) :**  
You can take it for certain that I know the rule. I read it two or three times. Before I framed the Resolution I read the rule more than once. I beg to move :

“This Council recommends to the Governor General in Council to amend the Indian Legislative Rules so that the members of the Legislature desiring to address in Hindi or Urdu may do so.”

Ever since I entered this House, now nearly 10 years ago, it has been my desire that the members of this House, whether they are acquainted or unacquainted with the English language, if they want to address the House in either of the two principal languages of this country, Hindi or Urdu, they should be at liberty to do so and English should rather be an exception than the rule. The Standing Order on the subject provides that the business of the Indian Legislature shall be transacted in English. There is a proviso to this Order which reads :

“Provided that the president may permit any member unacquainted with English to address the Council in a vernacular.”

Thus only if a member is unacquainted with the English language he may address it in a vernacular language. There is this restriction. This is a country whose language is not the English language. The business of the Legislature of every country should be conducted in the language of the country and much more so in a democratic country. The circumstances so far have been different. We have been evolving towards responsible Government and hitherto some of the Members of the Government were Englishmen who did not understand Indian languages and for their sake we have had to address this House in the English language. Things have now changed, enormously changed. Every Member of the Government is an Indian who understands the language of the country. The composition of the Government today is such that except one Member—and I am sure he is so well-gifted that he will soon be able to pick it up—all the other Members understand it. I have the privilege of knowing this Member for a number of years and whenever I had occasion to talk to him I liked to talk to him in Hindi or Hindustani, call it whatever you like. He is a great Sanskrit scholar and he is able to follow a great deal of it. In fact he himself introduced it in his own Province. Now, Sir, these two languages—Hindi and Urdu—are the most understood languages in this country and as I said every Member of the Government can understand them. I do not think it will now be pleaded that the members of the Indian Civil Service will not understand them. At least the Indian members of it in their homes and houses all talk the languages of the country and they cannot pretend to be ignorant of Hindi or Urdu. They may not be scholars of them but if we talk here for one or two sessions they are gifted enough to follow it and not only to follow it but to speak very good Hindi or Urdu. Some of them speak very good Urdu ; some of them speak very good Hindi. An amalgam of these two languages is Hindustani and it is in the fitness of things that in the present circumstances one should as a matter of self respect be able to address this House in his own language. We do not feel very happy when we are addressing the House in the English language. We would feel much happier; honestly I feel much happier if I have to address in my own language. I have often asked my friends to speak in Urdu or Hindi. The atmosphere here is altogether an alien atmosphere. If I had been allowed to address the House in Hindustani I would have done it long ago. I made an attempt in the earlier years when I entered this House but when I looked at the rules I could not pretend or say that I was unacquainted with the English language and then I had to accept the things as they were. Now, I say Sir, this Government is pledged to that policy—the policy of transacting the business of the country in the languages of the country. The Hindi and Urdu are the two languages which are widely spoken and we will all enjoy and have greater facility in expressing our thoughts in our own mother tongues than in hired tongues and the language of a country seven seas beyond. If the Englishmen here do not understand, it will not be absolutely necessary that they should but they will be able to follow or understand at any rate the purport of it. They will be able to gather from their friends of the same variety of the same service, of the

same brotherhood and they will be able to tell them "Well, this gentleman is talking a great deal of sense" and so on. Then, Sir, there are so many people in this country who are now deprived of rendering service in the Legislature simply because they are not in a position to express themselves with proficiency in the English language. I cannot think of any objection to persons who do not understand these languages and cannot express themselves proficiently in them being allowed to address the House in their vernacular language. I suppose then the amendment will provide also that if they are unacquainted with the English or Hindi or Urdu languages they may address the Legislature in their vernacular language. Of course, the rule here refers to the Council. The scope of my Resolution is wider. The scope of my Resolution is wider in the sense that it is not confined to an amendment of this particular standing order only. It refers also to the other House. After the recent elections I asked some of my friends in the other house to address it in the Hindustani language. They wanted to know whether they could do it. I said only if they were unacquainted with the English language. Well, Sir, I am not unacquainted although I am not a very good speaker—people can be good speakers of a foreign language though I am not. So this difficulty was there. I am therefore requesting the Government to amend the rule—the Act gives them the power—so that it may enable the members who like to address the House in their own language, in the language of their heart, in the language of their soul—

THE HONOURABLE MR. GHAZANFAR ALI KHAN : In Pushtu.

THE HONOURABLE MR. G. S. MOTILAL : Yes, if they can speak Pushtu they may address the House in that language but at any rate Pushtu is not so commonly understood. Urdu and Hindi are the most talked languages.

Sir, I move.

THE HONOURABLE MR. GHAZANFAR ALI KHAN (Health Member) : Mr. Chairman, I intervene at this early stage of this debate so that my friends may not have to waste their eloquence on this non-controversial measure. Let me assure the Mover of this Resolution that the Government are entirely in sympathy with its contents and they have not the slightest hesitation in trying to do their best to put it into practice as soon as it is possible. Let me inform my Honourable friend that even under the rule as it is framed today it is up to the Speaker to interpret it either most stringently or liberally. So far as the rules framed under the Government of India Act, 1935, are concerned the Act of 1935 itself contains a similar provision. The phraseology would be a little bit different. It says "those who do not possess sufficient knowledge of English". Different interpretations have been put by different Speakers. I know in the Punjab Provincial Assembly the Speaker gave a ruling that anybody even if he is a graduate even if he is a barrister-at-law, if he says that he "does not possess sufficient knowledge of English" he would allow him to make his speech in any language. I have also heard of rulings where if an Honourable Member makes a speech in English on a certain subject but on another subject he wants to make a speech in Hindi the Speaker has allowed him to do so if he says that he does not possess sufficient knowledge of English so far as speaking on that particular subject is concerned. Therefore, Sir, before we can alter the rule I would request that we interpret the rule as liberally as we can. "Acquaintance" is a word which is very vague. I may be knowing English and still I may not be sufficiently acquainted with it to speak in English. Therefore, Sir, my contention is that if under the rule as it stands today any Honourable Member says that he wants to speak in Urdu or Hindi because he cannot express himself adequately in English, even under this rule the Speaker or the Chairman should have no objection in allowing him a speech in that language. So far as changing the rule itself is concerned, I would only say that there should be a uniform procedure both in the Central Assembly and in the Council of State. If we pass a Resolution here in the Council of State but the other House does not pass a similar resolution, I think there will be certain practical difficulties in giving practical shape to this proposition. Therefore, my request to my Honourable

[Mr. Ghazanfar Ali Khan]

friend the Mover of this Resolution is not to press this motion, on the clear understanding that we shall take up this matter with the other House immediately and ask them as to what means should be found to give practical shape to the proposition contained in this Resolution. So far as the European members of the Legislature are concerned, I know that there are quite a number of them who will be able to follow speeches in Urdu. Even if some of them cannot do so, we should not much worry about it. They have been able to carry on for such a long time in this country without understanding it that I am sure they will be able to carry on for two or three years without any difficulty.

There are, however, certain suggestions in the speech of the Honourable the Mover with which I do not agree. So long as the speeches are confined to Hindi and Urdu, it is perfectly all right. But the moment he says "in any language", then the question becomes a bit complicated. The number of languages which are spoken in this country are so numerous that I can hardly count even six members sitting in this Honourable House who can say that they understand every language that is spoken in India. Therefore, so far as that proposition is concerned, that should be ruled out. But so far as Hindi and Urdu are concerned, I think the tendency should be that we should speak in our own languages. I entirely agree with him that to conduct the proceedings in a language which is a foreign language is not a matter of pride for this country.

Therefore, I appeal to the Honourable the Mover not to press this motion, on the understanding that we shall take up the matter at a very early date.

**THE HONOURABLE MR. G. S. MOTILAL :** Only a few words by way of reply. I did not at all say that we should really have so many languages here. That was not at all in my mind. What I said was this. The rule as it stands permits members not acquainted with English to address the House in any vernacular. So, if any member from the Madras Presidency or from some other part of India says, "I am not acquainted with English, nor am I acquainted sufficiently with Hindi or Urdu ; and I will address the House in Tamil," that latitude is given to him today under the rules. It is not for me now to ask that it should be taken away, and I do not think the Honourable the Health Member either means that it should be taken away. But in the natural course of things, they will also understand that if they are addressing the House, they are addressing the House, not themselves, and they would address the House in a language which the House can understand. The rule now gives them permission to address in any language if they are unacquainted with English. It would not be fair for me now to suggest that it should be taken away. But as things are, most of the members will address the House in Hindi or Urdu. And as I am assured that the Government will take necessary measures, since they are entirely with me, and that they are as anxious and as earnest as I am in this matter, it serves my purpose. When Government say that they are prepared to carry out the object of the Resolution, it is not necessary for me to press the Resolution. I am glad that the Government are in agreement with the object of the Resolution, and have given us the assurance that they will take steps immediately. I fully rely upon that assurance and I am confident that it will soon be put into practice. I hope that the President will take note the opinion of this House as well as of the Government that this latitude which has been given in the provinces should be given by the Chair in this House too. I beg leave to withdraw the Resolution.

The Motion, was by leave of the Council, withdrawn.

### RESOLUTION *RE* THE APPOINTMENT OF A CENTRAL INDUSTRIAL PLANNING COMMISSION

**THE HONOURABLE SIR SOBHA SINGH (Nominated Non-official):** Sir, I move :—

"This Council recommends to the Governor General in Council that immediate steps be taken to appoint a Central Industrial Planning Commission to plan the industrial development of the country as a whole and co-ordinate the Provincial schemes for industrial development."

The Council then adjourned to a date to be notified hereafter.