

THE  
COUNCIL OF STATE DEBATES

VOLUME II, 1940

*(19th November to 2nd December 1940)*

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EIGHTH SESSION  
OF THE  
FOURTH COUNCIL OF STATE



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# CONTENTS.

	PAGES.
<b>Tuesday, 19th November, 1940—</b>	
Members Sworn . . . . .	I
Questions and Answers . . . . .	2—35
Statements laid on the table . . . . .	36
Message from His Excellency the Governor General . . . . .	36
Committee on Petitions . . . . .	37
Death of Prince Afsar-ul-Mulk Mirza Muhammad Akram Hussain Bahadur and Raja Vasudeva of Kollengode . . . . .	37
Governor General's Assent to Bills . . . . .	37—38
Bills passed by the Legislative Assembly laid on the table . . . . .	38—39
Congratulations to the Honourable Mr. H. Dow, Governor-Designate of Sind . . . . .	39
Resolution re Mechanization of units of the University Training Corps—Negatived . . . . .	40—51
Statement of Business . . . . .	51
<b>Wednesday, 20th November, 1940—</b>	
Address by His Excellency the Viceroy to the Members of the Central Legislature . . . . .	53—59
<b>Thursday, 21st November, 1940—</b>	
Messages from His Excellency the Governor General . . . . .	61
Indian Finance (No. 2) Bill—Laid on the table, as certified . . . . .	61—62
Indian Limitation (Amendment) Bill—Introduced . . . . .	62
Resolution re Construction of aircraft and automobiles—Adopted . . . . .	62—63
Resolution re Private volunteer organizations—Negatived . . . . .	64—97
Statement of Business . . . . .	97
<b>Friday, 22nd November, 1940—</b>	
Questions and Answers . . . . .	99—115
Bill passed by the Legislative Assembly laid on the table . . . . .	115
Statements, etc., laid on the table . . . . .	115—118, 121—123, 138—139
Information promised in reply to questions laid on the table . . . . .	118—121, 124—138
Indian Works of Defence (Amendment) Bill—Considered and passed . . . . .	140
Indian Navy (Discipline) Amendment Bill—Considered and passed . . . . .	140—142
Indian Navy (Discipline) Second Amendment Bill—Considered and passed . . . . .	142—143
Cantonments (Amendment) Bill—Considered and passed . . . . .	143—146
Repealing and Amending Bill—Considered and passed . . . . .	146—148
Indian Registration (Amendment) Bill—Considered and passed . . . . .	149
Code of Civil Procedure (Amendment) Bill—Considered and passed . . . . .	149—150
Code of Criminal Procedure (Amendment) Bill—Considered and passed . . . . .	150

**Friday, 22nd November, 1940—contd.**

PAGES.

Indian Companies (Amendment) Bill—Considered and passed . . .	151—153
War Donations and Investments (Companies) Bill—Considered and passed . . .	153—155
Reserve Bank of India (Third Amendment) Bill—Considered and passed . . .	155—158
Motor Spirit (Duties) Amendment Bill—Considered and passed . . .	158—159

**Monday, 25th November, 1940—**

Questions and Answers . . . . .	161—172
Statements, etc., laid on the table . . . . .	173
Standing Committee for the Department of Supply . . . . .	173—179
Indian Finance (No. 2) Bill—Motion to consider— <i>To be continued</i> . . . . .	179—225

**Tuesday, 26th November, 1940—**

Questions and Answers . . . . .	227—233
Bill passed by the Legislative Assembly laid on the table . . . . .	233
Resolution <i>re</i> Supply Department—Adopted . . . . .	233—264
Resolution <i>re</i> Supply of rifles and ammunition to military schools—Withdrawn . . . . .	265—270
Resolution <i>re</i> Nationalization of essential and key industries, etc.—Moved . . . . .	270

**Wednesday, 27th November, 1940—**

Standing Committee for the Department of Supply . . . . .	271
Indian Finance (No. 2) Bill—Motion to consider— <i>To be continued</i> . . . . .	271—312

**Thursday, 28th November, 1940—**

Bill passed by the Legislative Assembly laid on the table . . . . .	313
Indian Finance (No. 2) Bill—Considered and passed . . . . .	313—349

**Friday, 29th November, 1940—**

Members Sworn . . . . .	351
Questions and Answers . . . . .	351—371
Resolution <i>re</i> Nationalization of essential and key industries, etc.—Withdrawn . . . . .	371—385
Indian Limitation (Amendment) Bill—Motion to circulate, adopted . . . . .	385
Resolution <i>re</i> Future composition of trade missions to foreign countries . . . . .	385—389
Statement of Business . . . . .	389

**Monday, 2nd December, 1940—**

Questions and Answers . . . . .	391—398
Information promised in reply to questions laid on the table . . . . .	398—400
Statement laid on the table . . . . .	401
Indian Income-tax (Amendment) Bill—Considered and passed . . . . .	401—404
Indian Sale of Goods (Amendment) Bill—Considered and passed . . . . .	404
Excess Profits Tax (Amendment) Bill—Considered and passed . . . . .	405

# COUNCIL OF STATE.

*Friday, 22nd November, 1940.*

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

## QUESTIONS AND ANSWERS.

### THAILAND GOOD-WILL MISSION.

21. THE HONOURABLE KUMAR NRIPENDRA NARAYAN SINHA (on behalf of the Honourable Raja Yuveraj Datta Singh): Did the official Goodwill Mission from Thailand visit India recently? If so, has it resulted in the conclusion of any economic or political agreement between the two countries in furtherance of common interests?

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI: The answer to the first part of the question is "Yes" and to the second part "No".

### UNIVERSITY TRAINING CORPS.

22. THE HONOURABLE MR. P. N. SAPRU: Will Government state (a) the number of University Training Corps Battalions in the country; and (b) whether Government has received any representations from various Universities for the expansion of their U.T.C. and for their better equipment?

THE HONOURABLE MR. A. DEC. WILLIAMS (on behalf of His Excellency the Commander-in-Chief): (a) There are 10 U.T.C. battalions in the country. (b) Yes.

THE HONOURABLE MR. HOSSAIN IMAM: With reference to (b), Sir, from which Universities have Government received representations?

THE HONOURABLE MR. A. DEC. WILLIAMS: A University in the United Provinces.

THE HONOURABLE MR. HOSSAIN IMAM: Which University, Sir?

THE HONOURABLE MR. A. DEC. WILLIAMS: Lucknow University.

THE HONOURABLE MR. P. N. SAPRU: Have the Government received any representation from the Allahabad University also?

THE HONOURABLE MR. A. DEC. WILLIAMS: I have no information as to that, Sir. But there has been a 50 per cent. increase in the establishment of these units in June last.

**THE HONOURABLE MR. HOSSAIN IMAM :** Was the Aligarh University U.T.C. increased ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** To the best of my information, they were all increased by 50 per cent.

**THE HONOURABLE MR. HOSSAIN IMAM :** Have they been given permission to increase the cavalry platoon ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** The Honourable Member must give notice of that.

**THE HONOURABLE SIR RAMUNNI MENON :** May I know whether it is a part of the scheme of expansion to create University Corps in Universities where they do not exist now ?

**THE HONOURABLE THE PRESIDENT :** How does that question arise from the answer given by the Honourable Member ?

**THE HONOURABLE SIR RAMUNNI MENON :** My question relates to the expansion of University Corps which is within the scope of the original question.

**THE HONOURABLE MR. HOSSAIN IMAM :** It arises from (a) of the question,—the number of U.T.C. battalions in the country.

**THE HONOURABLE THE PRESIDENT :** It does not. It is a new question.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** May I inquire whether it is the intention of Government to reduce the two platoons recently allowed to be added to each company to one ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** The question relates to increase and not to reduction, Sir.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** My question is, whether it is the intention of Government to decrease the number of platoons added to a company from two to one.

**THE HONOURABLE MR. A. DEC. WILLIAMS :** For any question which relates to decrease I should require notice.

**THE HONOURABLE MR. HOSSAIN IMAM :** May I know, Sir,—

**THE HONOURABLE THE PRESIDENT :** The Honourable Member (the Honourable Mr. Williams) has stated that he requires notice.

**THE HONOURABLE MR. HOSSAIN IMAM :** I am asking another question, Sir.

**THE HONOURABLE THE PRESIDENT :** You cannot pursue the question further.

**THE HONOURABLE MR. HOSSAIN IMAM :** Perhaps he might be able to give the answer from the file.

**THE HONOURABLE THE PRESIDENT :** No, he wants notice.

**THE HONOURABLE MR. HOSSAIN IMAM :** I have not stated my question yet, Sir.

**THE HONOURABLE THE PRESIDENT :** You are not entitled to put any question after the Member wants notice.

**THE HONOURABLE MR. HOSSAIN IMAM :** He wanted notice on Pandit Kunzru's question, Sir.

**THE HONOURABLE THE PRESIDENT :** You want to pursue it further ?

**THE HONOURABLE MR. HOSSAIN IMAM :** I want a specific statement, Sir, whether the Annamalai and the Andhra Universities have University Training Corps or not ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** I have a list here and they do not appear on that list.

**THE HONOURABLE MR. HOSSAIN IMAM :** Will the Honourable Member lay the list on the table ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** Yes, Sir.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** May I put another question, Sir ? Is it the intention of Government to allow the two platoons added per company of the U.T.C. to continue ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** I have already answered that question, Sir.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** The question not having been put, the Honourable Member could not have answered that.

**THE HONOURABLE THE PRESIDENT :** Was it involved in your previous reply ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** It was involved in his previous question.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** That question was an entirely different one.

**THE HONOURABLE SIR ALAN LLOYD :** That question was about decrease, and he won't answer that question. He wants notice.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** This is a different question.

**THE HONOURABLE SIR ALAN LLOYD :** Decrease and discontinuance are the same.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU:** The Honourable Member might himself be allowed to reply. He is not dumb.

**THE HONOURABLE MR. A. DEC. WILLIAMS:** My point is that there is very little difference between asking whether a unit is going to be done away with and whether it is going to be allowed to continue to exist.

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*Information promised in reply to the Honourable Mr. Hossain Imam's supplementary question.*

- 1st (Bombay) Battalion, U. T. C.
  - 2nd (Calcutta) Battalion, U. T. C.
  - 3rd (United Provinces) Battalion, U. T. C.
  - 4th (Lahore) Battalion, U. T. C.
  - 5th (Madras) Battalion, U. T. C.
  - 7th (Patna) Company, U. T. C.
  - 9th (Delhi) Battalion, U. T. C.
  - 10th (Nagpur) Battalion, U. T. C.
  - 11th (Karachi) Company, U. T. C.
  - 12th (Dacca) Company, U. T. C.
- 

#### SUPPLY DEPARTMENT.

**23. THE HONOURABLE MR. P. N. SAPRU:** Will Government state (a) the number of officers in the War Supply Department; (b) their names and nationality; and (c) the salaries and emoluments paid to each of them?

**THE HONOURABLE MR. H. DOW:** I place on the table a statement giving the required information.

As in the case of the statement which I laid on the table on the 19th instant, and for the same reason, details of appointments to the Indian Stores Department and to the Contracts Directorate are not included. I can however give certain totals for these departments.

At the outbreak of war there were in the Indian Stores Department 13 European officers and 47 Indian officers. There are now only 11 European officers and 84 Indian officers.

The Contracts Directorate was, and remains, a military organization. At the outbreak of war it had five European and one Indian officer. It now has 16 European and 11 Indian officers.

Statements showing the names, nationality and emoluments of the officers employed in the Supply Department (this statement does not include Indian Stores Department, Contracts Directorate and officers transferred to the administrative control of Supply Department from Defence Department (Army Headquarters) with their posts.

Serial No.	Name and designation.	Nationality.	Emoluments (Pay and allowances.)	Remarks.
(1)	(2)	(3)	(4)	(5)
<i>Main Secretaries.</i>				
1	The Honourable Mr. H. Dow, C.S.I., C.I.E., I.C.S., Vice-President, War Supply Board.	European	Rs. 5,000	N.B.—S. P. for Special Pay.
2	Mr. E. M. Jenkins, C.I.E., I.C.S., Secretary.	Do.	3,000	O. P. for Overseas Pay.
			O. P. £13-6-8	C. A. for Car Allowance.
3	Mr. Ghulam Mohammed, Controller General of Purchase.	Indian	3,000	C. L. A. for Compensatory Local Allowance.
4	Mr. S. H. Y. Oulnam, C.I.E., M.C., I.C.S., Joint Secretary.	European	3,000	H. R. A. for House Rent Allowance.
			O. P. £13-6-8	
5	Mr. J. A. Mackeown, I.C.S., Deputy Secretary	Do.	1,800	
			S. P. 400	
			O. P. 280	
6	Mr. M. Ibramullah, I.C.S., Deputy Secretary	Indian	1,600	
			S. P. 400	
7	Mr. H. M. Patel, I.C.S., Deputy Secretary	Do.	1,600	
			S. P. 400	
8	Mr. S. R. Zaman, I.C.S., Deputy Secretary	Do.	2,150	
			S. P. 400	
	Mr. S. Bhoothalingam, I.C.S., Under Secretary	Do.	1,300	
			S. P. 160	



Statement showing the names, nationality and emoluments of the officers employed in the Supply Department (this statement does not include Indian Stores Department, Contracts Directorate and officers transferred to the administrative control of Supply Department from Defence Department (Army Headquarters) with their posts—contd.)

Serial No.	Name and designation.	Nationality.	Emoluments (Pay and allowances.)	Remarks.
(1)	(2)	(3)	(4)	(5)
<i>Main Secretarial—contd.</i>				
10	Rai Sahib Dip Chand, Under Secretary	Indian	1,200	
11	Mr. G. Corley-Smith, M.B.E., Under Secretary	European	Pay not yet fixed.	
12	Mr. J. Byrne, Assistant Secretary	Do.	1,050	
13	Mr. F. H. T. Ward, Assistant Secretary	Do.	1,000	
14	Rai Bahadur S. K. Bannerjee, Officer on Special Duty	Indian	500	
15	Lt.-Col. T. H. Batty, Director, Statistics	European	1,325	
16	Major E. C. Ormond, Director, Indents	Do.	1,530	
17	Mr. S. N. Mitter, Assistant Director, Statistics	Indian	500	
18	Mr. S. S. Venkatakrihnan, Technical Assistant	Do.	250	
<i>Directorate General of Supply.</i>				
19	Brigadier E. Wood, M.C., Director General, Supply	European	3,000 O. P. £13-6-8	
20	Mr. R. W. Targott, Deputy Director General, Supply	Do.	3,500	
21	Mr. L. Mason, C.I.E., O.B.E., M.C., I.F.S., Deputy Director General, Supply.	Do.	3,000	

22	Mr. D. M. Pasmore, Director, Textiles	Do.	.	.	2,250
23	Mr. D. Stewart, O.B.E., I.F.S., Director, Timber	Do.	.	.	1,950 O. P. £13-6-8
24	Mr. A. E. Hampson, Director, Miscellaneous Stores	Do.	.	.	1,500
25	Mr. C. T. G. Hooper, Director, Co-ordination	Do.	.	.	1,500
26	Mr. W. E. Flewett, I.F.S., Deputy Director, Timber	Do.	.	.	1,750 S. P. 300
27	Mr. P. R. Grear, Deputy Director, Chemicals	Do.	.	.	1,500
28	Mr. J. Walker, I.F.S., Deputy Director, Timber	Do.	.	.	1,250 S. P. 250 O. P. £30
29	Mr. V. S. Kuppuswamy, Officer on Special Duty	Indian	.	.	1,100 S. P. 150
30	Mr. M. V. Laurie, I.F.S., Deputy Director, Timber	European	.	.	Pay not yet fixed.
31	Mr. Lloyd Knibb, Assistant Director, Textiles	Do.	.	.	900
32	Mr. W. J. Oakley, Deputy Director, Textiles, Cawnpore.	Do.	.	.	1,500
33	Mr. S. K. Chaudhuri, Assistant Director, Textiles	Indian	.	.	800
34	Mr. P. N. Suri, Assistant Director, Timber	Do.	.	.	750 S. P. 150
35	Rai Sahib Bishamber Das, Assistant Director, Miscellaneous Stores.	Do.	.	.	800 S. P. 200
	Mr. N. K. Thadani, Technical Assistant, Miscellaneous Stores.	Do.	.	.	250

*Statement showing the names, nationality and emoluments of the officers employed in the Supply Department (this statement does not include Indian Stores Department, Contracts Directorate and officers transferred to the administrative control of Supply Department from Defence Department (Army Headquarters) with their posts—contd.*

Serial No.	Name and designation.	Nationality.	Emoluments. (Pay and allowances.)	Remarks.
(1)	(2)	(3)	(4)	(5)
<i>Directorate General, Munitions Production.</i>				
37	Sir Guthrie Russell, K.C.I.E., Director General, Munitions Production.	European	Rs. 5,000	Officers of the Munitions Production Directorate located at Calcutta are entitled to compensatory and house rent allowance at the scale admissible to them in their parent Department. Amount admissible in individual cases not yet determined.
38	Mr. G. S. Butler, C.I.E., Deputy Director General, Armaments Production.	Do.	2,750	
39	Mr. F. G. S. Martin, Deputy Director General, Engineering.	Do.	2,750 O. P. £13-6-8	
40	Lt.-Col. M. H. Cox, O.B.E., M.C., Director, Factory Expenditure.	Do.	Military rates of pay and allowances as admissible to a Lt.-Col.	
41	Mr. R. C. Case, Director, Civil Production	Do.	2,750 O. P. £13-6-8	
42	Mr. W. L. D. Martyn, Officer on Special Duty	Do.	1,025 O. P. £30	
43	Mr. J. Humphries, Director, Engineering	Do.	2,500 O. P. £13-6-8	

44	Mr. R. A. McGregor, Director, Metals . . . . .	Do.	2,350
45	Mr. H. Sparrow, Deputy Director, Engineering (Mech.) . . . . .	Do.	1,025 250 £30
			S. P. O. P.
46	Mr. S. W. White, Deputy Director, Engineering (Elect.) . . . . .	Do.	1,000
47	Mr. P. C. Mukherji, Deputy Director, Engineering (Civil) . . . . .	Indian	1,025
48	Mr. J. R. Walton, Deputy Director, Engineering (Quota) . . . . .	European	500
49	Mr. S. M. K. Alvi, Assistant Director, Metals . . . . .	Indian	375 100
			S. P.
50	Engineer Commander J. Beggs . . . . .	European	Pay not yet determined.
51	Mr. N. Hackney . . . . .	Do.	1,375 £30
	<i>Timber Depots.</i>		
52	Mr. A. G. Grant, M.B.E., Officer-in-Charge, Timber Depot, Karachi. . . . .	Do.	1,100
53	Mr. A. R. Gonsalves, Assistant to the Officer-in-Charge, Timber Depot, Karachi. . . . .	Do.	400
54	Mr. E. P. Keelan, Officer-in-Charge, Timber Depot, Calcutta. . . . .	Do.	500
55	Rao Bahadur K. G. Bellappa, Officer-in-Charge, Timber Depot, Cochin. . . . .	Indian	500
56	Lt.-Col. J. R. Marriott, Controller of Supplies, Bengal, Calcutta. . . . .	European	2,150 150 * 100
	<i>Controller of Supplies.</i>		C. A. H. R. A. C. L. A.

\* H. R. Allowance to cover payment made in excess of 10 per cent. of pay subject to certain restrictions.

*Statement showing the names, nationality and emoluments of the officers employed in the Supply Departments (this statement does not include Indian Stores Department, Contracts Directorate and officers transferred to the administrative control of Supply Department from Defence Department (Army Headquarters) with their posts—concl'd.*

Serial No.	Name and designation.	Nationality.	Emoluments. (Pay and allowances.)	Remarks.
(1)	(2)	(3)	(4)	(5)
	<i>Controller of Supplies—cont'd.</i>			
57	Mr. G. E. Bennett, Controller of Supplies, Bombay	European	C. A. 1,950 H. R. A. 125 C. L. A. 100	*H. R. Allowance to cover payment made in excess of 10 per cent. of pay subject to certain restrictions.
58	Mr. E. M. Souter, Controller of Supplies, United Provinces, Cawnpore.	Do.	2,500	
59	Mr. M. A. Srinivasan, Controller of Supplies, Madras	Indian	C. A. 1,800 125	
60	Ch. Bashir Ahmad, Controller of Supplies, Punjab, Lahore.	Do.	1,000	
61	Mr. S. C. Latif, Controller of Supplies, Sind, Karachi	Do.	1,150 (in the scale of Rs. 1,000—1,200). S. P. 250 C. A. 100	
62	Mr. E. C. Forbes, Deputy Adviser to Government, Woollen Industry, Cawnpore.	European	2,000	
63	Mr. J. A. Stuart Williams, Assistant to the Adviser on Engineering Supplies, Calcutta.	Do.	1,200	
64	Mr. S. M. Homair, Personal Assistant to the Controller of Supplies, Bengal.	Indian	450 (in the scale of Rs. 400—500).	

65	Mr. P. A. Davies, Personal Assistant to the Controller of Supplies, Bombay.	European	.	.	500
66	Mr. C. V. Kinsville, Personal Assistant to the Controller of Supplies, United Provinces.	Do.	.	.	..
	<i>Mica Organizations.</i>				
67	Mr. J. Podger, Mica Inspector	.	.	Do.	1,500
68	Mr. W. J. U. Turnbull, Mica Examiner	.	.	Do.	550

Working in an Honorary capacity upto 27th November, 1940, thereafter he will draw Rs. 400 a month *plus* his pension from United Provinces Government.

VALUE OF ORDERS PLACED BY THE INDIAN STORES DEPARTMENT AND  
CONTRACTS DIRECTORATE.

24. THE HONOURABLE MR. P. N. SAPRU : Will Government state the value and number of orders placed in India for war supply requirements with (a) British owned concerns ; (b) British controlled concerns ; (c) Indian owned concerns ; and (d) Indian controlled concerns ?

THE HONOURABLE MR. H. DOW : The value of orders placed by the Indian Stores Department and Contracts Directorate from the 1st September, 1939 to 30th September, 1940, amounts to over Rs. 56 crores. The number of individual orders comes to about 1,20,000 and these have been distributed over some 3,000 different firms. No distinction or discrimination is made when placing orders between Indian and European firms, and no record is maintained of orders placed with firms of different nationalities. There is therefore no way in which the information given above can be readily classified in the manner required by the Honourable Member, who will also doubtless realize that the classifications he suggests are neither complete nor mutually exclusive.

THE HONOURABLE MR. HOSSAIN IMAM : Is there any record of British firms in name and of Indian firms in name to which contracts have been given ?

THE HONOURABLE MR. H. DOW : No, Sir, there is no record at all, and it would be quite impossible to tell from the names of many firms whether they are European or Indian. A firm which calls itself "All-India Corporation" may quite easily be an entirely British concern. A concern which appears under the name of "Mr. Mukherjee" may be owned by a European, and *vice versa*. Again, firms are owned partly by Indians and partly by Europeans. They are managed partly by Indians and partly by Europeans. There are Indian firms that are managed by Europeans ; there are European firms that are managed by Indians. It is, therefore, I think, quite impossible for me to fit the information which I have given into any such classification as that suggested in the question.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Could the Honourable Member lay on the table a list of all the firms with which orders have been placed, giving against the name of each firm the total amount of the orders placed with it ?

THE HONOURABLE MR. H. DOW : Sir, doubtless that could be done, but as I have pointed out there are over 3,000 firms and there are 1,20,000 contracts, and this is constantly being added to ; and it is quite clear that when that information was given it would be of no assistance whatever in enabling conclusions to be drawn on the lines which are suggested by the Honourable Member's question. I therefore think that I am justified in saying that the collection of this material which is now asked for by Mr. Kunzru, the cost and labour of making that collection, would be entirely out of proportion in a hard-worked Department to the use which could possibly be made of it.

THE HONOURABLE MR. P. N. SAPRU : Will the Honourable Member be pleased to lay on the table of the House a statement showing the names of the Directors of the firms to which contracts have been given and the names of the managing agents and their nationality ?

THE HONOURABLE MR. H. DOW : That would involve much more labour and waste of time.

THE HONOURABLE MR. P. N. SAPRU : That would enable us to find out exactly how matters stand.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** In view of the desirability of giving information on the subject will not the Honourable Member be prepared to give the information I have asked for even though it might involve a certain amount of labour ?

**THE HONOURABLE THE PRESIDENT :** The Honourable Mr. Dow, could you not allow Mr. Kunzru to collect the information himself in your office ?

**THE HONOURABLE MR. H. DOW :** No, Sir. I am afraid the Honourable Mr. Kunzru would have a full-time job which would take him a year. It would also interfere very considerably with the work which officers of the Department have to do.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Does the Honourable Member seriously suggest that it would take his Department a year ?

**THE HONOURABLE MR. H. DOW :** No, Sir. I said it would take the Honourable Pandit a year.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** He need not have any compassion on me. Let him give me all that I ask for and I will make use of it.

**THE HONOURABLE MR. P. N. SAPRU :** Is it a fact that the post of the Vice-President of the Supply Board will not be filled up after the present incumbent goes ?

**THE HONOURABLE THE PRESIDENT :** No discussions are allowed. Only questions are to be put.

#### DESTRUCTION OF HORSES BY THE MILITARY AUTHORITIES.

**25. THE HONOURABLE MR. P. N. SAPRU :** Will Government state (a) whether military authorities are shooting horses no longer required by them ; (b) whether there has been any request from civil authorities for the horses being sold to them ; and (c) the number of horses so destroyed and their average price ? Are Government aware that Indian sentiment is against wanton destruction of unoffending animals ?

**THE HONOURABLE MR. A. DEC. WILLIAMS** (on behalf of His Excellency the Commander-in-Chief) : (a) No serviceable horses have been destroyed. In accordance with established policy old and worn out horses are regularly destroyed.

(b) Yes.

(c) Information as to numbers is not readily available. No horse of any value has been destroyed.

The reply to the last part of the Honourable Member's question is in the affirmative.

**THE HONOURABLE MR. P. N. SAPRU :** Will Government therefore respect Indian sentiment and not destroy these horses ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** Government not merely respect the Indian sentiment, they share it. But they consider their present policy a preferable alternative to permitting horses for which they have no longer any requirement to fall into undesirable hands and possibly suffer ill-treatment.

**THE HONOURABLE MR. HOSSAIN IMAM :** May I know from the Honourable Member why it is impossible to get the number of those which have been destroyed during the last year at least ?



**THE HONOURABLE MR. A. DEC. WILLIAMS :** I omitted to mention, Sir, that the Honourable Member had not specified the period for which he wished these figures.

**THE HONOURABLE MR. HOSSAIN IMAM :** Will the Honourable Member lay on the table the figures for the last year ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** No, Sir. It would involve far too much labour to collect these figures from depots and units.

**THE HONOURABLE MR. HOSSAIN IMAM :** Any record kept of the horses they buy and have in stock at the beginning and end of a year might tell us.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** May I ask for a little more information? Are the Government destroying horses which they do not require, or only those horses which are no longer fit for service ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** Only those horses which are no longer fit for service.

**THE HONOURABLE MR. P. N. SAPRU :** Is a horse which is not fit for military service also unfit for civil service ? Will Government not gain by disposing of those horses to civilians who are prepared to buy them ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** Government do not wish to gain at the expense of the horses, Sir.

DEPUTATION OF DR. GREGORY AND SIR DAVID MECK TO THE U. S. A.

**26. THE HONOURABLE MR. P. N. SAPRU :** Will Government state the object for which Messrs. Gregory and Meek were sent to the United States and whether no suitable Indians were available for that mission ?

**THE HONOURABLE SIR ALAN LLOYD :** Dr. Gregory and Sir David Meek went to the United States to make a preliminary survey of the possibilities of expanding India's trade with that country.

The Indian Government Trade Commissioner in the United States of America, Mr. Malik, was associated with their enquiries.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Why could not an Indian be sent with the mission from here ?

**THE HONOURABLE MR. H. DOW :** The officers best qualified, which included one Indian, as I have mentioned, were selected for the particular work. The Indian was Mr. Malik, the Indian Trade Commissioner in New York.

**THE HONOURABLE MR. P. N. SAPRU :** The Honourable Member has not replied to the last part of my question, whether no suitable Indians were available for that mission ? I want an answer in the affirmative or in the negative.

**THE HONOURABLE MR. H. DOW :** The answer is in the affirmative. I said one was appointed, Mr. Malik.

**THE HONOURABLE MR. P. N. SAPRU :** He was the Trade Commissioner. My question is, when Messrs. Gregory and Meek were sent, why in place of those two gentlemen no Indian could be sent ? That question has not been replied to.

**THE HONOURABLE MR. H. DOW :** The question, Sir, is one of suitability. The two most suitable for the purpose were Dr. Gregory and Sir David Meek.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Is it suggested that Indians would have been less suitable for the purpose of carrying on negotiations with the United States Government ?

**THE HONOURABLE THE PRESIDENT :** That is an argument.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** I want to know exactly what the Government mean ?

**THE HONOURABLE THE PRESIDENT :** That is an argument.

#### MILITARY GRASS FARMS.

**27. THE HONOURABLE MR. P. N. SAPRU :** Will Government state (a) the decision arrived at by them for the disposal of the grass farms no longer required by the military authorities ; (b) whether Government propose to give to the original owners the option of taking back the grass farms after refund of the compensation they must have received ; and (c) whether Government propose to give the grass farms not taken by the original owners to Provincial Governments to be utilized by them for the purposes of (i) agricultural demonstrations and (ii) settling suitable educated unemployed as agricultural colonists ?

**THE HONOURABLE MR. A. DEC. WILLIAMS** (on behalf of His Excellency the Commander-in-Chief) : (a) Surplus military farm lands outside cantonments are offered in the first place to other departments of the Government of India, and if not required by them to Provincial Governments. If the Provincial Government does not desire to purchase the lands, they are disposed of to private persons to the best advantage of the State.

(b) If the land is agricultural or pastoral, the original owners are generally given an option before other private persons. Each case is however considered on its merits.

(c) If the Provincial Government take over the land, it is open to them to consider the purposes suggested.

**THE HONOURABLE MR. HOSSAIN IMAM :** Has any grass farm land been already given to private persons ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** I should require notice of that. To what period does that question relate ?

**THE HONOURABLE MR. HOSSAIN IMAM :** Last year, Sir. Have you any figures for that ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** I have no figures, here, Sir.

#### BUREAU OF PUBLIC INFORMATION.

**28. THE HONOURABLE MR. P. N. SAPRU :** Will Government state (a) the number of officers in the Central Information Department getting a salary of Rs. 500 and over ; (b) their names with salaries they are at present getting ; (c) the functions of this Department ; (d) the total expenditure

over this Department ; and (e) the number of new officers appointed since the war and their salaries ?

THE HONOURABLE MR. E. CONRAN-SMITH : (a), (b), (d) and (e). I lay a statement on the table.

(c) The Bureau of Public Information exists to meet the demand of the Press and the public for news and information about the activities of Government.

*Statement giving the information asked for in parts (a), (b), (d) and (e) of question No. 28 asked by the Honourable Mr. P. N. Sapru.*

	Salary.
	Rs.
(a) Eight.	
(b) 1. Mr. J. Hennessy, Principal Information Officer	2,400 plus O. S. P. £30 p. m.
2. Mr. J. Natarajan, Deputy Principal Information Officer	1,200
3. Mr. S. C. Guha Thakurta, Information Officer	900
4. Mr. S. A. Jawad, Information Officer	750
5. Mr. B. L. Sharma, Information Officer	700
6. Mr. R. I. Hall, Information Officer	800
7. Mr. C. N. Sen, Administrative Officer	640
8. Mr. M. S. Islam, Chief Superintendent	580
(d) The total expenditure during the period April 1 to October 31, 1940, was	2,11,777
(e) 1. Mr. R. I. Hall, Information Officer	800
2. Mr. K. V. Venkataraman, Information Officer	600
(Since discharged.)	
3. Mr. R. L. Handa, Assistant Information Officer. (Officiating vice Mr. S. C. Guha Thakurta on leave, and drawing Rs. 500 per mensem from July 15, 1940)	400
4. Mr. B. Fonseca, Assistant Information Officer	400
5. Mr. V. Krishnaswami, Assistant Information Officer	400
6. Mr. B. R. Kapasi, Assistant Information Officer	400
7. Mr. B. Mukhopadhyaya, Assistant Information Officer	400
8. Mr. J. A. Kidwai, Assistant Information Officer	400

#### NUMBER OF PERSONS DETAINED UNDER THE DEFENCE OF INDIA ACT.

29. THE HONOURABLE MR. P. N. SAPRU : Will Government state (a) the number of detenus under the Defence of India Act in every province ; and (b) whether Government propose to submit their cases for review and advice at suitable intervals to officers possessing judicial experience ?

THE HONOURABLE MR. E. CONRAN-SMITH : (a) According to the latest information available with the Government of India the following are the numbers of persons who were undergoing detention under rule 26 of the Defence of India Rules on the 1st October, 1940.

**By order of Provincial Governments :—**

Madras . . . . .	20
Bombay . . . . .	38
Bengal . . . . .	20
United Provinces . . . . .	68
Punjab . . . . .	81
Bihar . . . . .	22
N. W. F. P. . . . .	7
By order of the Central Government . . . . .	25

In addition a number of persons may have been detained or may be undergoing detention for short periods under rule 129.

(b) No.

**THE HONOURABLE MR. HOSSAIN IMAM :** Will the Honourable Member state to what date this statement relates ?

**THE HONOURABLE MR. E. CONRAN-SMITH :** I have already stated that these were the persons undergoing detention on the 1st of October, 1940.

**THE HONOURABLE MR. P. N. SAPRU :** Are we to understand that "By the order of the Central Government" means centrally administered areas or all over India ?

**THE HONOURABLE MR. E. CONRAN-SMITH :** It means both.

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**BILL PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.**

**SECRETARY OF THE COUNCIL :** Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the Bill further to amend the Indian Income-tax Act, 1922, and to make certain transitory provisions with respect to the operation of that Act on the coming into force of Part II of the Indian Income-tax (Amendment) Act, 1939, which was passed by the Legislative Assembly at its meeting held on Thursday, the 21st November, 1940.

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

**THE HONOURABLE SIR GIRJA SHANKAR BAJPAI** (Education, Health and Lands Member) : Sir, I lay on the table :

- (1) a copy of the Regulations made by the Imperial Council of Agricultural Research under section 7 (2) of the Agricultural Produce Cess Act, 1940, and
- (2) a copy of the Imperial Council of Agricultural Research Reserve Fund and Regulation of Expenditure Rules, 1940.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH STANDING FINANCE COMMITTEE  
REGULATIONS.

NOTIFICATION.

*No. F. 46(10)/40-G., dated the 10th September, 1940.*—The following Regulations, made by the Imperial Council of Agricultural Research under section 7 (2) of the Agricultural Produce Cess, Act, 1940, are published for general information :—

STANDING FINANCE COMMITTEE REGULATIONS

(made by the Imperial Council of Agricultural Research with the previous approval of the Central Government under section 7 (2) of the Agricultural Produce Cess Act, 1940).

1. In these Regulations—

- (i) "Committee" means the Standing Finance Committee constituted under section 7 of the Agricultural Produce Cess Act, 1940 (XXVII of 1940);
- (ii) "Council" means the Imperial Council of Agricultural Research.

*Constitution of the Committee.*

2. The Committee shall consist of the following members :—

- (i) the Vice-Chairman of the Council *ex-officio*,
- (ii) one member appointed by the Central Government (hereinafter referred to as the Financial Adviser),
- (iii) three members elected annually by the Governing Body of the Council, two from among themselves and one from among the representatives of the Central Legislature on that Body.

3. The elected members shall hold office for 12 months commencing on the 1st September, but shall be eligible for re-election.

4. Any casual vacancy in the Committee shall be filled by election or appointment, as the case may be, in accordance with the provisions of regulation 2.

5. The term of office of a member elected to a casual vacancy shall commence from the date of election and shall continue to the 31st August next.

6. No act or proceeding of the Committee shall be invalid by reason only of the existence of a vacancy in the Committee.

7. The Committee shall elect annually, as soon after the 1st September as may be practicable, a President from among its members.

8. The Secretary of the Council shall *ex-officio* be the Secretary of the Committee.

*Functions of the Committee.*

9. The functions of the Committee are—

- (i) to scrutinise the annual statement of income and expenditure of the Council and submit it to the Governing Body with its recommendations;
- (ii) to examine the estimates of all schemes involving—
  - (a) an annual expenditure of not less than Rs. 10,000 or
  - (b) a total expenditure of Rs. 50,000 or more.
- (iii) to scrutinise all proposals for the creation of Class I posts;
- (iv) to scrutinise all proposals for amendment of the bye-laws of the Council affecting delegation of financial powers by the Governing Body; and
- (v) such other functions in respect of financial matters as may be assigned to the Committee by the Governing Body of the Council.

*Procedure of the Committee.*

10. (1) The President of the Committee shall preside at all meetings of the Committee.

(2) In the absence of the President the members present shall elect a member of the Committee to preside at the meetings.

11. Three members of the Committee shall constitute a quorum.

12. (1) Meetings of the Committee shall ordinarily be convened by the Secretary as occasion may require, and at least once a year.

(2) A meeting shall also be convened if not less than three members of the Committee make a written request to that effect.

13. Ten clear days' notice of every meeting of the Committee shall be given to each member.

14. In the case of a difference of opinion among the members of the Finance Committee the opinion of the majority shall prevail.

Provided that the dissenting members shall have the right to record minutes of dissent.

15. In case of an equality of votes on any question, the President of the meeting shall have a casting vote.

16. Notwithstanding anything contained in regulations 14 and 15, the Financial Adviser may in the event of his disagreement with the other members of the Committee in respect of any matter, require a reference to be made by the Committee to the Governing Body, and by the Governing Body to the Central Government.

17. Any business, except such as the Committee may by general or special order direct to be placed before a meeting, may be transacted by circulating papers to all members and by obtaining in writing the views of at least three of them.

18. The Secretary shall keep a record of all proceedings of the Committee and discharge such other functions as the Committee may assign to him.

S. BASU,

Secretary.

#### IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH RESERVE FUND AND REGULATION OF EXPENDITURE RULES, 1940.

#### NOTIFICATION.

No. F. 8/40, dated the 18th September 1940.—In exercise of the powers conferred by section 9 of the Agricultural Produce Cess Act, 1940 (XXVII of 1940), the Central Government, after consultation with the Imperial Council of Agricultural Research, is pleased to make the following rules, namely :—

#### *The Imperial Council of Agricultural Research Reserve Fund and Regulation of Expenditure Rules, 1940.*

1. These Rules may be called the Imperial Council of Agricultural Research Reserve Fund and Regulation of Expenditure Rules, 1940.

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

- (a) "Act" means the Agricultural Produce Cess Act, 1940 (XXVII of 1940);
- (b) "Committee" means the Standing Finance Committee constituted under section 7 of the Act;
- (c) "Council" means the Imperial Council of Agricultural Research;
- (d) "Financial Adviser" means the officer appointed by the Central Government as a member of the Committee under sub-section (1) of section 7 of the Act;
- (e) "Fund" means the reserve fund created under section 8 of the Act.

3. The Council shall contribute annually to the Fund such amount of the net proceeds of the duty received during the financial year under section 6 of the Act as may be in excess of Rs. 14 lakhs;

Provided that the annual contribution—

- (a) need not be greater than the amount necessary to bring the accumulated balance in the Fund up to Rs. 20 lakhs;

(b) shall not exceed Rs. 2½ lakhs except on the recommendation of the Committee.

4. The Fund may be invested wholly or in part in the same manner as the other funds of the Council.

5. The uninvested balances of the Fund shall be kept with the Imperial Bank of India separately from the other funds of the Council.

6. All interest accruing on investments of the Fund shall until the accumulated balance therein amounts to Rs. 20 lakhs, be credited to the Fund, and shall thereafter be available for expenditure for the purposes of the Council.

7. (1) If in any year the net proceeds of the duty received under section 6 of the Act fall short of Rs. 14 lakhs, the Council may, on the recommendation of the Committee and with the approval of the Governing Body, draw upon the Fund to make good the deficiency.

(2) Save as provided in sub-rule (1), no money shall be withdrawn from the Fund without the previous approval of the Central Government.

8. The Council shall refer to the Financial Adviser for his advice—

(i) the annual statement of the income and expenditure of the Council, and

(ii) such matters relating to the expenditure of the money paid to the Council under section 6 of the Act as the Central Government may by general or special order specify.

9. The Financial Adviser shall be given access to all such records of the Council as may be required by him for the purpose of advising on the matters referred to him under rule 8.

10. In the event of disagreement between the Council and the Financial Adviser in respect of any matter referred to him under rule 8, the Financial Adviser may ask the Council to bring the matter to the notice of the Central Government, and the Council shall comply with the request.

11. Save as otherwise expressly provided in these Rules, all transactions relating to the Fund shall generally be subject to such provisions of the rules and regulations and bye-laws of the Council as are applicable to the financial transactions of the Council.

G. S. BOZMAN,

*Joint Secretary to the Government of India.*

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

THE HONOURABLE SIR GIRJA SHANKAR BAJPAI (Education, Health and Lands Member): Sir, I lay on the table the information promised in reply to question No. 46 asked by the Honourable Mr. Abdool Razak Hajee Abdool Suttar on the 11th March, 1940.

### REPAIRS TO MOSQUES IN NEW DELHI.

(a) (i) A statement giving the information required by the Honourable Member is laid on the table.

(ii) and (iii). Government are not aware of any mosques in New Delhi which are badly in need of repairs or have fallen down for want of repairs.

(b), (c) and (d). No.

(e) Yes.

(f) and (g). Government understand that applications by authorized persons for permission to carry out repairs are carefully considered and the general policy followed is to grant permission. They do not consider any special orders necessary.

*Statement referred to in the reply to part (a) (i) of question No. 46.*

*List of Mosques in New Delhi.*

Serial No.	Name of Mosque.	Locality.	Remarks.
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*Mosques occupied and in use.*

- |    |                                  |   |  |
|----|----------------------------------|---|--|
| 1  | Mosque on Bholi Bhat-tyari Road. | Adjacent to Nath Ki Baghichi Temple.                        |  |
| 2  | Mosque at " I " Point .          | Near cattle byre.   |  |
| 3  | Badi-ul-Isar Mosque .            | On Chitragupta Road.  |  |
| 4  | Dargah Syed Hassan Mosque.       | Panch Kun Road.   |  |
| 5  | Shah Karmal Mosque .             | Off Peshwa Road in Road Circus.                             |  |
| 6  | Kalali Bagh Mosque .             | Albert Square.  |  |
| 7  | Telegraph Quarters Mosque.       | Junction of Baird Road and Baker Street.                    |  |
| 8  | Mosque .                         | In Lady Hardinge College compound (North).                  |  |
| 9  | Gurgaon Road Mosque .            | In recess on Gurgaon Road near I. B. P. 183.                |  |
| 10 | Mosque .                         | Near Babu Mal's garden on Chelmsford Road.                  |  |
| 11 | Mosque Rangrez Shah .            | On Chelmsford Road in Railway Council Association Compound. |  |
| 12 | Langarwali Mosque .              | Connaught Circus, West End of Lady Hardinge Hospital.       |  |
| 13 | Raja Bazar Mosque .              | Irwin Road.   |  |
| 14 | Madhoganj Mosque .               | Jantar Mantar, Jaisingh Pura near Windsor Hotel.            |  |
| 15 | Asoka Road .                     | Near Government Bungalow No. 27.                            |  |
| 16 | Stone-yard (Ara Machine) Mosque. | Near Red Cross Building.                                    |  |
| 17 | Block 120 . . .                  | Near Point " O " opposite Chelmsford Club.                  |  |
| 18 | Rakabganj Mosque .               | Near Anglican Church.                                       |  |
| 19 | Sonhari Bagh .                   | At Point " N ".   |  |
| 20 | Mosque .                         | Aliganj.  |  |
| 21 | Mosque .                         | Aliganj.  |  |
| 22 | Mosque . . .                     | Aliganj.  |  |
| 23 | Zabte Ganj Mosque .              | In the Central Vista Waterway.                              |  |



Serial No.	Name of Mosque.	Locality.	Remarks.
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*Mosques occupied and in use— contd.*

24	Hatewala Mosque	. Opposite Travancore Gates.	
25	Western Hostel Mosque	. On Queensway opposite Western Court.	
26	Barakhamba or Road Mosque.	Minto On Minto Road.	
27	Angoori Masjid	. Near Old Shahji's Tank, City Extension Area.	
28	Mirdard Mosque	. Between Tangore and Barron Roads.	
29	Chausat Khamba	. Mosque within this shrine on Mirdard Road.	
30	Mehdi Shah Mosque	. In Mehdi Cemetery on Mirdard Road.	
31	Bachhoo Shah	. Near Railway Line, Block 205.	
32	Jhil-ki-Piao Mosque	. On Delhi-Muttra Road between Reformatory and 'J' Point.	
33	Babar-ka-Takkia	. At " W " Point.	
34	Babarpore Mosque	. Pandara Road.	
35	Nizam-ud-Din Mosque	. East of Delhi-Muttra Road opposite Nizamuddin.	
36	Lodi Mosque	. West of Golf Club Pavilion in Lodi Park.	
37	Mosque	. In the Race Course.	
38	Mosque	. Hon'ble Member's Bungalow on King Edward Road.	
39	Mosque	. In Arab Serai.	
40	Mosque	. To the East of Abdul Nabi Mosque on Delhi-Muttra Road.	
41	Mosque	. Near Azim Ganj.	
42	K. B. Akbar Ali Mosque.	Connaught Place.	

*Mosques vacant and unused.*

43	Mosque at Malcha	. On Kitchener Road.	
44	Mosque	. On Ratendone Road.	
45	Mosque	. In Lady Hardinge Hospital.	
46	Mosque	. At Lodi Tomb.	
47	Mosque	. At Lodi Tomb.	
48	Mosque	. In Lodi Golf Course.	

Serial No.	Name of Mosque.	Locality.	Remarks.
------------	-----------------	-----------	----------

*Mosques vacant and unused—contd.*

- |    |        |                      |  |
|----|--------|----------------------|--|
| 49 | Mosque | In Lodi Golf Course. |  |
| 50 | Mosque | In Jur Bagh.         |  |
| 51 | Mosque | In Jur Bagh.         |  |

*Mosques unoccupied but in use.*

- |    |                       |   |  |
|----|-----------------------|---|--|
| 52 | York Road Mosque      | York Road.                                |  |
| 53 | Wellesley Road Mosque | On East of Wellesley Road in Golf Course. |  |
| 54 | Mosque                | On Ferozeshah Road.                       |  |

*Mosques under the control of the Archaeological Department.*

- |    |                                    |  |  |
|----|------------------------------------|--|--|
| 55 | Mosque of Uggar Sen                | Hailey Road.                                     |  |
| 56 | Bara Gumbad Mosque                 | Lady Willingdon Park.                            |  |
| 57 | Khairul Manazil Mosque             | Opposite to West Gate of Purana Qila.            |  |
| 58 | Qila Kohna Masjid                  | In Purana Qila.                                  |  |
| 59 | Mosque of Afsarwala                | Near Humayun's Tomb.                             |  |
| 60 | Mosque of Isa Khan                 | Isa Khan's Tomb near Humayun's Tomb.             |  |
| 61 | Mosque of Safdarjang               | Tomb of Safdarjang.                              |  |
| 62 | Juna Shah's Mosque or Kali Masjid. | Nizamuddin.                                      |  |
| 63 | Abdul Nabi's Mosque                | Near Kotla Ferozeshah.                           |  |
| 64 | Mubarak Shah's Mosque              | Mubarakpur Kotla.                                |  |
| 65 | Masjid Moth                        | Village Moth-ki-Masjid.                          |  |
| 66 | Mosque                             | To the West of Serai Azim Ganj near Purana Qila. |  |

STATEMENTS, ETC., LAID ON THE TABLE.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir, I lay on the table copies of the Declarations and Orders of Exemption under section 6 of the Registration of Foreigners Act, 1939, as published with the notifications of the Government of India in the Home Department Nos.—

- (1) 21/68/39-Political (W), dated the 18th April, 1940,
- (2) 21/68/39-Political (W), dated the 1st June, 1940,
- (3) 21/2/40-Political (W), dated the 15th June, 1940,
- (4) 21/68/39-III-Political (W), dated the 28th June, 1940,
- (5) 21/75/39-Political (W), dated the 27th June, 1940,
- (6) 21/18/40-Political (W), dated the 3rd July, 1940,
- (7) 21/2/40-Political (E), dated the 4th September, 1940, and
- (8) 21/18/40-Political (E), dated the 7th October, 1940.

## REGISTRATION OF FOREIGNERS. ACT, 1939.

*Declaration of Exemption.*

*No. 21/68/39-Political (W), dated the 18th April, 1940.*—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors who are not foreigners, shall not apply to, or in relation to, the officials attached to the Japanese Consulate in India mentioned in the annexed list and their families so long as they hold the posts noted against their names.

H. J. FRAMPTON,

*Deputy Secretary to the Government of India.*

*List.*

1. Mr. T. Inui, Chancellor, Consulate General for Japan at Karachi.
2. Mr. T. Ishida, Chancellor, Consulate General for Japan at Calcutta.

*No. 21/68/39-Political (W), dated the 1st June, 1940.*—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors who are not foreigners, shall not apply to, or in relation to, Mr. Josef Luley, and his family so long as the said Mr. Josef Luley holds the post of Secretary of the Consulate for Czechoslovakia at Bombay.

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.*

*Order.*

*No. 21/2/40-Political (W), dated the 15th June, 1940.*—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of sub-rule (3) of rule 7 and of sub-rules (1) and (1A) of rule 15 of the Registration of Foreigners Rules, 1939, shall not apply to, or in relation to, Mr. Philip William Swan and Mrs. Margaret Nensen Swan, American subjects, on any occasion on which they depart from British India with the object of proceeding only to Portuguese India.

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.*

*Declaration of Exemption.*

*No. 21/68/39-III-Political (W), dated the 28th June, 1940.*—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, shall not apply to, or in relation to, the Administrator of French Chandernagore, or to members of his family or staff accompanying him

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.*

*Order.*

*No. 21/75/39-Political (W), dated the 27th June, 1940.*—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of sub-rule (3) of rule 7 and of sub-rules (1) and (1A) of rule 15 of the Registration of Foreigners Rules, 1939, shall not apply to, or in relation to, any French subject registered in British India on any occasion on which he departs from British India with the object of proceeding only to a place in the French possessions bounded by India.

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.*

*Declaration of Exemption.*

*No. 21/18/40-Political (W), dated the 3rd July, 1940.*—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of rule 10 (2) of the Registration of Foreigners Rules, 1939, shall not apply to, or in relation to, the persons mentioned in the annexed list.

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.*

*List.*

1. Dr. Galen Fisher Scudder, Head of the Scudder Memorial Hospital, Ranipet.
2. Dr. Paul Farr Russell, attached to the Rockefeller foundation, International Health Division, New York.
3. The Most Rev. Louis Mathias, S. C. Roman Catholic Archbishop of Madras.

*Order.*

*No. 21/2/40-Political (E), dated the 4th September, 1940.*—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of sub-rule (3) of rule 7 and of sub-rules (I) and (IA) of rule 15 of the Registration of Foreigners Rules, 1939, shall not apply to, or in relation to, Mr. Richard Rhea Patton Goheen, an American subject, on any occasion on which he departs from British India with the object of proceeding only to Portuguese India.

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.*

*Declaration of Exemption.*

*No. 21/18/40-Political (E), dated the 7th October, 1940.*—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of rule 10 (2) of the Registration of Foreigners Rules, 1939, shall not apply to, or in relation to, the Very Reverend Monseigneur L. P. Kierkels, Apostolic Delegate to the East Indies.

C. J. W. LILLIE,

*Joint Secretary to the Government of India.*

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir, I lay on the table a copy of the notification of the Government of India in the Home Department No. 21/15/40-Political (W), dated the 6th June, 1940, making certain further amendment in the Declarations published with the Notification of the Government of India in the Home Department No. 21/32/39-Political, dated the 21st June, 1939.

## REGISTRATION OF FOREIGNERS (EXEMPTION) ORDER, 1939.

*No. 21/15/40-Political (W), dated the 6th June, 1940.*—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to direct that the following further amendment shall be made in the Declarations published with the notification of the Government of India in the Home Department No. 21/32/39-Political, dated the 21st June, 1939, namely:—

In Declaration 3 of the said Declarations, after clause (d) the following clause shall be inserted, namely:—

“(dd) any French subject of non-Asiatic birth ordinarily resident in any of the French Settlements bounded by India;”

C. J. W. LILLIE,

*Deputy Secretary to the Government of India.*

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

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**THE HONOURABLE MR. E. CONRAN-SMITH** (Home Secretary): Sir,  
I lay on the table the information promised in reply to the **Honourable  
Mr. Hossain Imam's**—

- (1) Question No. 8 asked on the 26th February, 1940.
- (2) Question No. 9 asked on the 26th February, 1940.\*
- (3) Question No. 39 asked on the 6th March, 1940.

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\* Not printed. Copy placed in the Library of the House.

NEW POSTS CREATED IN THE GOVERNMENT OF INDIA SECRETARIAT AND ATTACHED OFFICES SINCE 1ST SEPTEMBER, 1939.

(a) to (f). A statement is laid on the Table.

Statement showing the names or designations of new or additional officers' posts created in the Government of India Secretariat and Attached Offices since 1st September, 1939, the names of persons appointed to these posts and the salary drawn by them (corrected up to 26th February, 1940).

Serial No.	Designation of post.	Name of officer appointed.	Cadre to which officer belonged.	Salary drawn on 31st January, 1940.	Salary drawn on 31st August, 1939.	In case of new persons their method of appointment.	Remarks.
1	2	3	4	5	6	7	8
<i>Home Department.</i>							
1	Director General of Information.	Mr. F. H. Puckle, C.S.I., I. C. S.		Rs. 4,000	Rs. 4,000		
2	Chief Press Censor.	Mr. F. D. Bartley, M.B.E.	A retired officer of the Indian Police.	Rs. 1,350 (in addition to pension).	Re-employed from 8th Sept. 1939.		
<i>Director, Intelligence Bureau.</i>							
3	Central Intelligence Officer, Karachi.	Mr. J. R. Harris	I. P.	Rs. 850 plus Rs. 200 1/2c pay plus \$25 overseas	Rs. 825 plus \$25 overseas pay.		
4	Assistant Director Intelligence, Peshawar.	Mr. T. B. Bassett	Retired I. P. Officer	Rs. 1,019-4-0 plus \$20 overseas pay.			
5	Assistant Director Intelligence, Quetta.	Mr. W. H. A. Rich	I. P.	Rs. 975 * plus \$25 overseas pay, and Rs. 100 Language pay.	Rs. 950† plus \$25 overseas pay. (On leave on 31st Aug. 1939).		* Includes special pay of Rs. 150 attached to the post. † Salary drawn before leave.
6	Central Intelligence Officer, Orissa, Cuttack.	The post has not been filled.					
<i>Principal Information Officer.</i>							
7	Information Officer	Mr. B. L. Sharma	Central Services, Class II	Rs. 600	Rs. 400		
8	Assistant Information Officer.	Mr. R. L. Handa	New recruit.	Rs. 400	Appointed from 23rd Dec. 1939.		Selection by open competition.

Statement showing the names or designations of new or additional officers' posts created in the Government of India Secretariat and Attached Offices since 1st September, 1939, the names of persons appointed to these posts and the salary drawn by them (corrected up to 26th February, 1940)—contd.

Serial No.	Designation of post.	Name of officer appointed.	Cadre to which officer belonged.	Salary drawn on 31st January, 1940.	Salary drawn on appointment 31st August, 1939.	In case of new persons their method of appointment.	Remarks.
1	2	3	4	5	6	7	8

#### Legislative Department.

9 Joint Secretary and Additional Draftsman. Mr. H. T. Benjamin I. C. S. Post created for period 29th Sept. 1939 to 30th Sept. 1939. Rs. 3,000 plus £13-6-8 overseas pay. For period of appointment upto 26th Sept. 1939 as Omitting Additional Secretary and Draftsman.

#### Defence Co-ordination Department.

10 Deputy Secretary Mr. P. Mason I. C. S. Rs. 1,425 plus Rs. 400 special pay of a Dy. Secy. plus £30 overseas pay. Rs. 1,350 plus Rs. 400 special pay.

#### External Affairs Department.

11 Additional Deputy Secretary. Major E. W. Fletcher Indian Political Service. Rs. 1,400 plus Special pay Rs. 400 and overseas pay £30.

12 Attache Khan Bahadur Mohan-  
mal Nawa Khan, Retired E. A. C. of the  
M.B.E., I.O.M. N. W. F. Province. Rs. 1,000

#### Finance Department.

13 Additional Secretary Sir P. R. Rau Indian Audit and Accounts Service. Rs. 3,500 2,750

14 Additional Finance Officer, Communications. Mr. B. B. Goah Rs. 800 plus Rs. 300 special pay. Rs. 800 plus Special pay Rs. 100.

Pay drawn by him upto 26th Sept. 1939 as Omitting Additional Secretary and Draftsman.

15	Officer on Special Duty .	Mr. P. H. Seahagiri Rao .	Ditto .	Ra. 1,500	Ra. 1,200 plus Special pay Ra. 100.
16	Officer on Special Duty .	Mr. M. Subrahmanyam .	Ditto .	Ra. 3,000	Ra. 3,000
<i>Military Finance Department.</i>					
17	Additional Financial Ad- viser.	Mr. M. E. Coburn, C.I.E., O.B.E.	Superior Service of the Military Accounts De- partment.	Ra. 3,000 O. P. Ra. 177-12-0.	Ra. 2,750 O. P. Ra. 177-12-0.
18	Additional Deputy Finan- cial Adviser.	Mr. A. H. Wilson .	Ditto .	Ra. 2,650 O. P. Ra. 177-12	Ra. 2,350 O. P. Ra. 177-12
19	Ditto .	Mr. A. Mc. C. Stevenson .	Ditto .	Ra. 2,040 O. P. Ra. 400	Ra. 1,680 O. P. Ra. 400
20	Ditto .	Mr. Brij Narayan .	Ditto .	Ra. 1,860	Ra. 1,500
21	Ditto .	Mr. Ghulam Abbas .	Ditto .	Ra. 1,350	Ra. 1,830
22	Ditto .	Mr. Mohamad Ali .	Indian Audit and Ac- counts Service.	Ra. 1,450	Ra. 1,200
23	Assistant Financial Ad- viser.	Mr. E. Bridgell .	Imperial Secretariat Service.	Ra. 1,000	Ra. 800
24	Ditto .	Mr. S. Jayasankar .	Superior Service of the Military Accounts De- partment.	Ra. 1,150	Ra. 1,050
<i>Military Accounts General's Office.</i>					
25	Additional Deputy Mil- itary Accountant General.	Mr. A. Subrahmanyam .	Superior Service of the Military Accounts De- partment.	Ra. 1,000 plus Duty Allow- ance of Ra. 250.	Ra. 1,000

Includes Special pay  
Ra. 300.

Includes Special pay  
Ra. 300.

Includes Special pay  
Ra. 300. The re-  
duction in pay is  
due to the revision  
of the officer from a  
Class I to a Class II  
post in his service.

Includes a special pay  
of Ra. 400. Was  
U. S. Finance De-  
partment on 31st  
August 1939.

Special pay Ra. 250.

Against this a per-  
manent post and  
Deputy M. A. G.  
(Junior) the incum-  
bent of which was  
drawing pay at  
Ra. 1,050 plus Ra.  
150 p. m. was  
abolished.



Statement showing the names or designations of new or additional officers' posts created in the Government of India Secretariat and Attached Offices since 1st September, 1939, the names of persons appointed to these posts and the salary drawn by them (corrected up to 26th February, 1940)—contd.

Serial No.	Designation of post.	Name of officer appointed.	Cadre to which officer belonged.	Salary drawn on 31st January, 1940.	Salary drawn on 31st August, 1939.	In case of new persons their method of appointment.	Remarks.
1	2	3	4	5	6	7	8
<i>Defence Department.</i>							
26	Attached Officer	Lt.-Col. L. A. Stuart, M.C.	Indian Army	Ra. 1,950	Ra. 2,045		
27	Ditto	Lt.-Col. W. V. Mc Calmont, M.C.	Ditto	Ra. 1,950	Ra. 2,045		
28	Officer on Special Duty	Mr. Khub Chand	I. C. S.	Ra. 750	Ra. 650		
<i>Department of E. H. and L.</i>							
29	Officer on Special Duty in the office of the D. G., I. M. S.	Col. D. H. Rai, M.C., V.H.S., I.M.S.	Indian Medical Service (Civil).	Ra. 2,750	Ra. 2,750		
<i>Department of Labour.</i>							
30	Assistant Secretary	Rai Sahib B. C. Tawakley	Imperial Secretariat Service, Class II.	Ra. 1,000	Ra. 800		
31	Conciliation Officer (Railways) and Supervisor of Railway Labour.	Mr. Abbas Khabeeli	I. C. S.	Ra. *1,200 + Special pay Ra. 250.	Ra. 800 + Special pay Ra. 200.		* Pay on Senior time scale of the I. C. S.
32	Deputy Supervisor of Railway Labour.	Chandhuri Ahmed, M.B.E.	Punjab Civil Service (Judicial Branch).	Ra. 750	Ra. 450	.....	
<i>Department of Commerce.</i>							
33	Officer on Special Duty	Dr. John Mathai, C.I.E., I.E.S.	Indian Educational Service.	Ra. 2,500	Ra. 2,500		
34	Deputy Secretary to the Government of India and Secretary, Economic Resources Board.	Mr. T. S. Pillay, M.A., B.L.	Indian Audit and Accounts Service.	Ra. 1,750	Ra. 1,750		

35	Deputy Director, Mechanical (Stores), (in connection with war).	Mr. T. G. Creighton	Indian State Mechanical Department.	(a) Rs. 1,175 + S. P. Rs. 250 + O. S. P. Rs. 250.	Rs. 1,125 + S. P. Rs. 250 + O. S. P. Rs. 250.	(a) Increment of Rs. 50 from 11th December, 1939. Transferred from the post of Deputy Director, Mechanical Engineering, Railway Board.
36	Officer on Special Duty, Railway Board (in connection with re-connection of minority communities on Railways).	Mr. Frank D'Souza, C.I.E.	Transportation (Traffic) and Commercial Department, State Railways (Port. Dr. of Traffic Railway Board and officiating Member, Railway Board).	Rs. 4,000	Rs. 4,000	Transferred from the post of Member, Railway Board.
37	Ditto	K. B. Z. H. Khan	Transportation (Traffic) and Commercial Department, State Railways.	Rs. 1,200 + Rs. 250	Rs. 1,200 + Rs. 250	By transfer from the N. W. Railway.
38	Deputy Director, Traffic, (General), in connection with war.	Mr. H. M. Jagtiani	Ditto	(b) Rs. 1,150 S. P. Rs. 250	Rs. 1,100	(b) Increment of Rs. 50 from 14th January, 1940.
39	Shipping Controller in India.	Sir George Campbell	.....	Rs. 4,000*	.....	Nomination
40	Secretary, War Transport Board.	Mr. H. Ronson	I. C. S.	Rs. 1,275 S. P. Rs. 400 O. P. Rs. 225	Rs. 1,050 S. P. Rs. 300 O. P. Rs. 225	* 50 per cent. of this pay is payable to His Majesty's Government.
41	Assistant Aircraft Inspector, Grade II.	Mr. Jyotirmoy Sen	Civil Aviation Officer. General Central Service, Class II.	Rs. 250	.....	Selected through the Federal Public Service Commission.
42	Deputy Director General, War, (Cadre of Post Master General).	Rao Bahadur G.N. Naidu	Office of the Director General, Posts and Telegraphs. Deputy Post Master General.	Rs. 2,100	Rs. 2,100	Temporary post for the period of 6 months from 6th September, 1939.
43	Officer on special duty in connection with the valuation of services of telephone companies.	Mr. H. Sur	Post Master General	Rs. 2,400	Rs. 2,400	Temporary post for the period from 22nd October, 1939 to 31st March, 1940 with head quarters at New Delhi.

Statement showing the names or designations of new or additional officers' posts created in the Government of India Secretariat and Attached Offices since 1st September, 1939, the names of persons appointed to these posts and the salary drawn by them (corrected up to 28th February, 1940)—contd.

Serial No.	Designation of post.	Name of officer appointed.	Cadre to which officer belonged.	Salary drawn on 31st January, 1940.	Salary drawn on 31st August, 1939.	In case of new persons their method of appointment.	Remarks.
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1	2	3	4	5	6	7	8
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Office of the Director General, Posts and Telegraphs—contd.

44	Officer on special duty in connection with the installation and maintenance of telephone companies.	Mr. R. C. Vaish	Divisional Engineer, Telegraphs.	Superior Telegraph Engineer	Rs. 775	Rs. 775	Temporary post for 3 months from 11th November 1939 with headquarters at Bombay.
45	Ditto	Mr. S. K. Kanjhal	Assistant Divisional Engineer, Telegraphs.	Div. Engr. Wireless Branch.	Rs. 425	Rs. 425	Temporary post for a period of 3 months from 1st November, 1939 with headquarters at Calcutta.
46	Deputy Director General	Sir James Pfitheathly, K.C.I.E.	General Central Service, Class I.		Rs. 4,000	Rs. 3,500	
47	Secretary	Lt.-Col. E. Wood, M.C.	Indian Army		Rs. 3,000	Rs. 2,070	
48	Deputy Secretary	Mr. J. A. Mackcown	I. C. S.		Rs. 2,500	Rs. 2,400	
49	Ditto	Mr. M. Ikramullah	I. C. S.		Rs. 1,500	Rs. 1,425	
50	Under Secretary	Mr. S. Boothalingam	I. C. S.		Rs. 1,350	Rs. 611-8	
51	Ditto	Rai Sahib Dip Chand	I. S. S.		Rs. 1,200	Rs. 1,000	
52	Director, Central Branch	Mr. D. M. Passmore			Rs. 2,250		
53	Chief Timber Inspection Officer.	Mr. W. E. Flewett	I. F. S.		Rs. 2,050	Rs. 2,040	

\* Leave salary. Present pay is less than admissible to him on his time scale + special pay for Under Secretaries.

† Direct Recruitment.

54	Deputy Director, Indents and Priority.	Major J. E. Marriott	Indian Army	Rs. 1,530	Rs. 611-2†	† Special Unemployed List Pay.
55	Deputy Director, Central Branch.	Mr. C. T. G. Hooper	.....	Rs. 1,500	...	† All the Officers directly recruited have special qualifications for the work for which they were recruited.
56	Deputy Director, Administration.	Mr. D. C. Malik	.....	Rs. 800	Ditto.†	Direct Recruitment†
57	Assistant Technical Officer	Mr. S. S. Venkateshkrishnan.	.....	Rs. 250	Ditto.†	
58	Controller of Supplies, Bengal.	Mr. F. G. S. Martin, M.C.	I. S. R.	Rs. 2,750 O. S. P. Rs. 177-12 C. A. Rs. 131-4	Rs. 2,500 O. S. P. Rs. 177-12 C. A. Rs. 131-4	
59	Government Mica Inspector.	Mr. John Podger	.....	Rs. 1,500	...	Direct Recruitment†
60	Deputy Adviser to Government, Woollen Industry.	Mr. L. C. Forbes, D.S.O.	.....	Rs. 2,000	Ditto. †	
61	Deputy Controller of Purchase (Jute).	Major J. L. G. Harvey	I. A. O. C., I. O. S.	Rs. 1,950	Rs. 1,505	
62	Production Engineer	Mr. E. W. F. Johnson	(Retired)	Rs. 1,500	.....	Attached to M. G. O. Branch.
63	Assistant to the Adviser on Engineering Supplies.	Mr. J. Stuart Williams	.....	Rs. 1,080	Direct Recruitment†	
64	Deputy Chief Controller of Stores.	Mr. L. N. Flatt	Transportation (Power) and Mechanical Engineering Departments, State Railways.	Rs. 2,750 +£13-6-8 O. P.	Rs. 2,750 +£13-6-8 O. P.	Services taken on loan from the N. W. Railway.
65	Assistant Director of Finance.	R. S. K. V. Appayya	.....	Rs. 740	...	Retired personnel of the I. S. D. from 27th December, 1938.

Statement showing the names or designations of new or additional officers' posts created in the Government of India Secretariat and Attached Offices since 1st September, 1939, the names of persons appointed to these posts and the salary drawn by them (corrected up to 26th February, 1940)—*contd.*

Serial No.	Designation of post.	Name of officer appointed.	Cadre to which officer belonged.	Salary drawn on 31st January, 1940.	Salary drawn on 31st August, 1939.	In case of new persons their method of appointment.	Remarks.
1	2	3	4	5	6	7	8
<i>Office of the Director General, Posts and Telegraphs—contd.</i>							
66	Assistant Director of Purchase.	Mr. E. Dixon, from 10th October, 1939 to 16th November, 1939.	Assistant Director, Industrial Research Bureau.	Rs. 1,100	Rs. 1,100	By transfer from the Industrial Research Bureau.	Transferred to the office of Controller of Purchase (Jute) from 17th November, 1939 as Deputy Controller of Jute (Purchase).
		Mr. T. B. Merchant from 17th November, 1939 to 4th January, 1940.	Class IV of the Inspection Branch.		Rs. 760	Temporarily lent from Inspection Branch.	
		Mr. P. G. Bhagat from 5th January, 1940.	Class IV of the Purchase Branch. (Officialing in Class III).	Rs. 1,000	Rs. 1,000	.....	
67	Assistant Controller of Purchase.	Mr. J. S. Mathur	.....	Rs. 350		Direct Recruitment.	
68	Ditto	Mr. B. P. Agarwala	Assistant Director of Industries (Stores Purchased) U. P.	Rs. 550	Rs. 500	Service taken on loan from the U. P. Government	
<i>Contracts Directorate.</i>							
69	Temporary Officer Super-visor.	Mr. A. Cardoso (A. I.)	Subordinate Ministerial Staff employed in the Contracts Directorate.	Rs. 900—50—1,160.	Rs. 700		
70	Temporary Staff Captain.	Capt. F. H. D. Teal, R. I. A. S. C. (British).	A. I. R. O. (R. I. A. S. C.)	Rs. 1,255	Rs. 850		
71	Temporary Staff Captain.	Capt. L. J. L. Addison, R. I. A. S. C. (British).	Permanent Officer in R. I. A. S. C.	Rs. 1,255	Rs. 1,255		

72	Temporary Assistant Purchase Officer.	Capt. J. Black (British).	Retired B. E. E. O.	Rs. 1,000-75-1,300.	Not in Government employment.	Selected by Director General of Supply.
73	Temporary Officer Superintendent.	Mr. A. de Costa (A. I.).	Subordinate Ministerial Staff employed in the Contractors Directorate.	Rs. 900-50-1,150.	Rs. 700	.....
74	Temporary Staff Captain.	Capt. H. H. B. Gill (British).	Emergency Commissioned Officer.	Rs. 1,165	Not in Government employment.	Selected from I. A. O. C. Corps.
75	Ditto	Capt. A. B. Haseler (British).	Ditto	Rs. 1,035	Do.	Ditto.
76	Ditto	2nd Lieut. M. V. Hammond, I.A.O.C. (British).	Ditto	Rs. 1,165	Do.	Ditto.

COMMUNAL PROPORTIONS OF APPOINTMENTS MADE BY DIRECT RECRUITMENT AND BY PROMOTION TO CERTAIN SERVICES  
BETWEEN AUGUST, 1934 AND DECEMBER, 1939.

Name of Service etc.	Hindus.			Minority Communities Recognised for purposes of Communal Representation.						Other Communities.			Remarks
	Euro- peans.	Hindus other than Depressed Classes.	Depressed Classes.	Muslims.	Domitiled Europeans and Anglo- Indians.	Sikhs.	Indian Christians.	Pardis.			Total for Indians.		
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
<b>1. Indian Medical Services.</b>													
By direct recruitment	173	59	79.7	...	15	30.3	...	...	...	...	...	...	(a) Includes non- Muslims. Sepa- rate figures not available.
By promotion	...	...	...	...	...	...	...	...	...	...	...	...	74
Total (Indians)	...	59	79.7	...	15	30.3	...	...	...	...	...	...	74
<b>2. Indian Police.</b>													
By direct recruitment	88	31	57.4	...	13	24	4	7.4	1	1.9	2	3.7	54
By promotion	...	11	20.0	...	15	39.6	6	15.8	4	10.5	...	2	5.3
Total (Indians)	...	42	45.7	...	28	30.4	10	10.9	5	5.4	2	2.2	92
<b>3. Indian Audit and Accounts Service.</b>													
By direct Recruitment	...	6	54.5	...	3	27.3	...	...	1	9.1	1	9.1	11
By promotion	...	1	18	92.9	...	1	7.1	...	...	...	...	...	14
Total (Indians)	...	19	76.0	...	4	16.0	...	...	1	4.0	1	4.0	25

4. *Imperial Council  
of Agricultural Re-  
search and Subsidy  
Offices.*

(i) Posts in the  
I. C. A. R.

By direct recruitment	5	4	80-0	...	...	...	...	...	...	1	20-0	...	...	6
By promotion	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total (Indians)	...	4	80-0	...	...	...	...	...	...	1	20-0	...	...	6

(ii) Posts in the office  
of the Agricultural  
Marketing Adviser.

By direct recruitment	3	15	57-7	1	3-8	8	30-8	...	...	...	1	3-8	1	3-8	...	26
By promotion	...	...	...	...	...	1	50-0	...	...	...	...	...	1	50-0	...	2
Total (Indians)	...	15	53-6	1	3-6	9	32-1	...	...	...	1	3-8	2	7-1	...	28

(iii) Posts in the  
Imperial Institute  
of Sugar Technology,  
Cawnpore.

By direct recruitment	3	10	90-9	...	...	1	9-1	...	...	...	...	...	...	...	...	11
By promotion	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total (Indians)	...	10	90-9	...	...	1	9-1	...	...	...	...	...	...	...	...	11

5. *Indian Stores  
Department.*

(General Central  
Service Class I.)

By direct recruitment (Permanent).	4	8	61-6	...	...	5	38-6	...	...	...	...	...	...	...	...	13
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(c) By direct recruitment  
(Temporary).

	2	(c)	4	100-0	...	...	...	...	...	...	...	...	...	...	...	4
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(c) Includes one  
officer on deputa-  
tion and one re-  
tired officer of the  
Indian Stores De-  
partment, re-  
employed.



COMMUNAL PROPORTIONS OF APPOINTMENTS MADE BY DIRECT RECRUITMENT AND BY PROMOTION TO CERTAIN SERVICES  
BETWEEN AUGUST, 1934 AND DECEMBER, 1939—*contd.*

Name of Service etc.	Hindus.				Minority Communities Recognised for purposes of Communal Representation.								Other Communities for Indians.		Remarks.
	Euro- peans.	Hindus other than Depressed Classes.	Depressed Classes.	Muslims.	Domiciled Europeans and Anglo- Indians.	Sikhs.	Indian Christians.	Parsis.							
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
5. Indian Stores Department—contd.															
(General Central Service Class I.) —contd.															
By promotion (from Central Service Class II of Sub- ordinate Service).	...	5	55.6	...	2	22.2	1	11.1	...	...	...	...	(d) 1	11.1	9 (d) Jew
Total (Indians)	...	17	65.4	...	7	26.9	1	3.8	...	...	...	...	1	3.8	26
6. Telegraph Engineering Service, Class I.															
By direct recruitment	...	12	75.0	...	2	12.5	...	...	...	...	2	12.5	...	...	16
By promotion	1	...	...	...	...	4	100.0	...	...	...	...	...	...	...	4
Total (Indians)	...	12	60.0	...	2	10.0	4	20.0	...	...	2	10.0	...	...	20

THE HONOURABLE MR. L. WILSON (Chief Commissioner for Railways): Sir, I lay on the table the information promised in reply to the Honourable Pandit Hirday Nath's—

- (1) Question No. 12 asked on the 26th February, 1940.
- (2) Question No. 72 asked on the 2nd April, 1940.
- (3) Question No. 73 asked on the 2nd April, 1940.

#### MIDWIVES IN E.I.R. HOSPITALS.

(a) The reference to railway hospitals where there are no other medical facilities available is not understood, but all nurses appointed to railway hospitals on the East Indian Railway are required to possess a diploma in midwifery.

(b) Railway revenues provided a contribution of Rs. 8,900 in 1938-39 to certain non-railway hospitals. Further a sum of Rs. 25,660 was spent in 1938-39 from the Staff Benefit Fund on medical treatment for the staff and members of their families in non-railway hospitals. A sum of Rs. 5,000 was paid from the same Fund to certain hospitals and institutions in return for facilities given to railway employees. As regards the second part, all non-gazetted staff benefit from this expenditure.

(c) It is not possible to allocate the benefit to communities received from the grants made to non-railway hospitals from railway revenues or from the Staff Benefit Fund. No statistics are maintained of the communities to which grants of financial assistance have been made from the Staff Benefit Fund to employees for medical expenses incurred by them or their families at non-railway hospitals. As regards the second part, an employee may appeal through his departmental superior to the Committee of the Staff Benefit Fund, who control such grants, for the reconsideration of his case.

(d) Apart from the grant from railway revenues referred to in part (b), all amounts spent on such medical assistance are received from the Staff Benefit Fund. As regards the second part, an employee, or his wife or child, is entitled to assistance under the rules of the Staff Benefit Fund if sent to a non-railway hospital by a Divisional or Workshop Medical Officer of the East Indian Railway, provided this officer certifies that this was necessary in the interests of the efficient treatment of the case, and the amounts of the bills incurred are reasonable and necessary and that the illness has not been occasioned by impropriety or misconduct on the part of the employee.

#### PROVIDENT FUND ON THE E.I.R.

No. The staff whose date of joining the Provident Fund was taken as the date of confirmation were not optional subscribers under the rules, and the date of their joining the Provident Fund was, therefore, the date of their confirmation.

#### REAPPOINTMENT OF SKILLED WORKMEN IN THE ALLAHABAD DIVISION, E.I.R., RETRENCHED IN 1935 ON ECONOMICAL GROUNDS.

(a) Yes: certain staff surplus on the Allahabad Division were retrenched in 1935 and 1936. Some of them were re-employed in vacancies that arose subsequently.

(b) The break in the service of some of the re-employed men was condoned for purposes of gratuity only. The staff have been correctly placed in the revised scales of pay.

(c) No.

THE HONOURABLE SIR ALAN LLOYD (Commerce Secretary): Sir, I lay on the table the information promised in reply to part (a) and first portion of part (b) of question No. 97 asked by the Honourable Pandit Hirday Nath Kunzru on the 8th April, 1940.

ISSUES OF LICENCES TO ACT AS INSURANCE AGENTS FOR THE YEAR ENDING 31ST MARCH, 1941.

*Statement showing the number of applications for licences to act as Insurance Agents for 1940-41, received and disposed of by each Licensing Authority by the 31st March, 1940.*

Name of Licensing Authority.	No. of applications received.	No. of applications disposed of.
Superintendent of Insurance . . . . .	4,500	2,000
Registrar, Joint Stock Companies—		
Bengal . . . . .	10,887	8,442
Bombay . . . . .	11,300 (1)	11,200 (1)
Madras . . . . .	6,430	4,208
Punjab . . . . .	2,867	2,867
U. P. . . . .	3,383 (2)	2,000 (2)
Bihar . . . . .	1,400	1,400
Assam . . . . .	1,700 (3)	1,336 (3)
C. P. . . . .	1,410	1,383
Sind . . . . .	1,168 (3)	1,159 (3)
Delhi . . . . .	691	596
N.-W. F. P. . . . .	45	45
Orissa . . . . .	245	245
Ajmer-Merwara . . . . .	120	120
Baluchistan . . . . .	37 (4)	37 (4)
Coorg . . . . .	28	28
Total . . . . .	46,211	37,066

(1) Figures up to 18th April 1940.

(2) Figures up to 26th April 1940.

(3) Figures up to 10th April 1940.

(4) Figures up to 15th April 1940.

STATEMENTS, ETC., LAID ON THE TABLE.

THE HONOURABLE MR. C. E JONES (Finance Secretary) : Sir, I lay on the table—

- (1) a copy of the rules framed by the Central Board of Revenue under section 5 of the Agricultural Produce Cess Act, 1940, and
- (2) a copy of the Central Board of Revenue notification No. 35-Customs, dated the 3rd August, 1940, embodying an amendment to the rules framed by the Board under section 5 of the Agricultural Produce Cess Act, 1940.

**RULES FRAMED BY THE CENTRAL BOARD OF REVENUE UNDER SECTION 5 OF THE  
AGRICULTURAL PRODUCE CESS ACT, 1940.**

**NOTIFICATION.**

*No. 21, dated the 20th April, 1940.*—In exercise of the powers conferred by section 5 of the Agricultural Produce Cess Act, 1940 (XXVII of 1940), the Central Board of Revenue makes the following rules :

*Rules.*

1. When cess has been levied on any article specified in the Schedule to the said Act exported by land, and the exporter within two months from the date on which the cess was paid applies for a refund and presents to the Land Customs Officer in charge of the land customs station at which the cess was paid, a re-importation certificate granted by the proper customs officer at the land customs station or customs port through which the article was subsequently reimported into India, the Land Customs Officer shall, if he is satisfied of the identity of the article referred to in the certificate with the article in respect of which the refund is claimed, refund the whole amount of the cess so levied.

2. If any person exporting by land any of the articles specified in the Schedule to the said Act declares that the article is subsequently to be imported into India, the Land Customs Officer may, subject to any general or special orders of the Collector of Land Customs, permit him to export the article without payment of the cess leviable thereon :

Provided that a person permitted to export any such article without payment of the cess leviable thereon shall, if the article is not re-imported into India within such period as may be fixed by the Collector of Land Customs, pay the duty on demand, and the Land Customs Officer shall refuse to pass any goods belonging to such person until the said duty has been paid.

K. G. JACOB,

*Second Secretary, Central Board of Revenue.*

**AMENDMENT TO RULES FRAMED BY THE CENTRAL BOARD OF REVENUE UNDER SECTION 5  
OF THE AGRICULTURAL PRODUCE CESS ACT, 1940.**

**NOTIFICATION.**

*No. 35, dated the 3rd August, 1940.*—In exercise of the powers conferred by section 5 of the Agricultural Produce Cess Act, 1940 (XXVII of 1940), the Central Board of Revenue directs that the following amendment shall be made in the Rules published with its notification No. 21-Customs, dated the 20th April 1940, namely :

In rule 1 of the said Rules, for the word "two" the word "six" shall be substituted.

K. G. JACOB,

*Second Secretary, Central Board of Revenue.*

THE HONOURABLE MR. C. E. JONES (Finance Secretary) : Sir, I lay on the table copies\* of—

- (1) Commercial Appendix to the Appropriation Accounts of the Defence Services for the year 1938-39 and the Audit Report thereon.
- (2) Appropriation Accounts of Railways in India for 1938-39—Parts I and II.
- (3) Railway Audit Report, 1940.
- (4) Capital Statements, Balance Sheets and Profit and Loss Accounts of State Railways in India including the Balance Sheet and the Profit and Loss Accounts of Tatanagar Workshops—1938-39.
- (5) Balance Sheet of Railway Collieries and Statements of all-in-cost of coal for 1938-39. •

## INDIAN WORKS OF DEFENCE (AMENDMENT) BILL.

THE HONOURABLE MR. A. DEC. WILLIAMS (Nominated Official) : Sir, I move :

“That the Bill further to amend the Indian Works of Defence Act, 1903, as passed by the Legislative Assembly, be taken into consideration.”

The object of this Bill is merely to remove certain inconveniences resulting from the existing state of the law relating to works of defence. As the law stands unnecessary harassment sometimes is caused to property owners and unnecessary expense to the Government. Under section 7 of the Act, which is to be amended, certain restrictions are imposed in areas surrounding these works. In the outer zone, which extends up to a radius of 2,000 yards from the work of defence, these restrictions are not very severe. In the middle zone, which extends up to a radius of 1,000 yards, all permanent structures must be removed without exception. In the inner zone, which extends up to a radius of 500 yards, all structures, not only permanent, but also temporary, must be removed without exception. Now the removal of these structures is not always essential from the military point of view, and all this Bill does is to give a power of exemption.

Sir, I move.

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. DEC. WILLIAMS : Sir, I move :

“That the Bill further to amend the Indian Works of Defence Act, 1903, as passed by the Legislative Assembly, be passed.”

The Motion was adopted.

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## INDIAN NAVY (DISCIPLINE) AMENDMENT BILL.

THE HONOURABLE MR. A. DEC. WILLIAMS (Nominated Official) : Sir, I move :

“That the Bill further to amend the Indian Navy (Discipline) Act, 1934, for certain purposes, as passed by the Legislative Assembly, be taken into consideration.”

Section 52 of the Schedule to the Act which it is proposed to amend contains a catalogue of penalties which may be enforced in the Indian Navy. This list, in addition to the severer penalties which are generally enforceable under the criminal law, contains a number of more lenient and minor penalties such as detention, dismissal, reprimand, disrating, and so on. But section 45 of the same Act contains a list of criminal offences and under that section these offences are only punishable under the ordinary criminal law. That is to say, the only punishment which can be given to these offences are death, transportation, imprisonment, fine, or whipping. Well, it is quite clear that in some cases some of these offences, such as petty thefts of a comrade's kit, should not be punished with imprisonment. Fine is contrary to the custom of the Navy. It is therefore desired to enable the authorities to award these minor punishments for minor offences.

The second part of clause 2—sub-clause (b)—is simply formal. Section 52 of the parent Act contains a list of punishments but that list does not comprise transportation, though it does comprise penal servitude ; and this amendment is merely designed to show that transportation is equivalent for the purposes of that section to penal servitude.

Sir, I move.

**THE HONOURABLE MR. HOSSAIN IMAM** (Bihar and Orissa : Muhammadan) : Our difficulty, Sir, is that we have not got the Indian Navy (Discipline) Act, 1934, before us.

**THE HONOURABLE THE PRESIDENT** : You could have easily seen the Act.

**THE HONOURABLE MR. HOSSAIN IMAM** : Sir, I had hoped that the Honourable Member would be kind enough to explain the provisions more fully so that we may be able to follow him. My only doubt about this matter, Sir, is that at the present moment we are averse to corporal punishment except for very heinous offences which require a personal chastisement. The policy of the present-day world is against corporal punishment.

**THE HONOURABLE THE PRESIDENT** : You must remember that these are special Services, the Navy and the Army. You cannot use the ordinary procedure there.

**THE HONOURABLE MR. HOSSAIN IMAM** : Mr. President, I would very respectfully submit that the Act was not framed by the Opposition to contain all these mistakes. It was framed by the Government with full recognition of what is required and they had before them also the statutes of other countries to fall back upon. Now, in the time of war, it is ununderstandable to us, Sir, why the Government is bringing forward an amendment which aims at substituting corporal punishment for penal servitude ?

**THE HONOURABLE THE PRESIDENT** : Do you suggest that the statutes of other countries are more lenient ?

**THE HONOURABLE MR. HOSSAIN IMAM** : I suggest, Sir, that the Government, when it framed the Act, did not deem it necessary to incorporate in the Bill what it is now trying to introduce.

**THE HONOURABLE THE PRESIDENT** : You have not answered my question.

**THE HONOURABLE MR. HOSSAIN IMAM** : The Navy (Discipline) Act, Sir, was fully discussed in both the Houses and Government had full opportunity of bringing forward a comprehensive measure and a measure which would have included all that was requisite. Our surprise is that at this moment when you are having an expansion of all your defence services, why was it thought proper to substitute this ? I am not opposing, Sir. I want the Government to state the reasons which have prompted this. The doubt that is created in our minds is that perhaps the enforcement of those penalties which were incorporated in the Bill originally would be difficult and this is thought to be the easier method of chastisement and perhaps there are too many delinquents for whom room cannot be found. These are the apprehensions which are created in our minds. I am asking for information and not in an adverse mood criticizing Government or opposing the Motion.

**THE HONOURABLE MR. A. DEC. WILLIAMS :** It is a little unfortunate that there should be in the text of the Bill a reference to "corporal punishment" because in that particular context, so far as corporal punishment is concerned, no alteration is being made, Sir. I do not know whether the Honourable Mr. Hossain Imam is aware that the whole of the Schedule of the parent Act, which is sought to be amended, is copied practically *verbatim* from the British statute which applies to the Royal Navy and the desire is to keep the Indian Navy as far as possible upon the same footing. But for some reason which I cannot explain the words which we are seeking to put in by this Bill "or . . . . . with such other punishment as is hereinafter mentioned" do occur in the British statute. They have not been put into the Indian statute and that is what makes it impossible for us to award a lower form of punishment for any of the offences mentioned in section 45.

As regards the Honourable Member's apprehension that we are trying to make it possible to flog ratings for minor offences, I would point out that, even as the law stands, corporal punishment is equivalent to imprisonment and, seeing that it is minor penalties we are seeking to inflict, penalties minor to imprisonment, it is not likely that we wish to impose flogging.

**THE HONOURABLE MR. HOSSAIN IMAM :** In your Statement of Objects and Reasons you refer to section 45 of the Indian Navy (Discipline) Act, 1934. Could you explain the reference ?

**THE HONOURABLE MR. A. DEC. WILLIAMS :** I think that I have fully explained section 45.

**THE HONOURABLE THE PRESIDENT :** Motion made :

"That the Bill further to amend the Indian Navy (Discipline) Act, 1934, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

Question put and Motion adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**THE HONOURABLE MR. A. DEC. WILLIAMS :** Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

## INDIAN NAVY (DISCIPLINE) SECOND AMENDMENT BILL.

**THE HONOURABLE MR. A. DEC. WILLIAMS (Nominated Official) :** Sir, I move :

"That the Bill further to amend the Indian Navy (Discipline) Act, 1934 (*Second Amendment*), as passed by the Legislative Assembly, be taken into consideration."

Sir, this is a purely formal measure and the Statement of Objects and Reasons fully explains it. It is simply consequential on the separation of Burma from India.

**THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) :** Sir, may I ask the Honourable Member to inform us why he has introduced two Bills to amend the same Act ? Could he not have incorporated them into one Bill ?

THE HONOURABLE MR. A. DEC. WILLIAMS : The answer to that, Sir, is that I have not introduced any Bill.

THE HONOURABLE THE PRESIDENT : He has only asked for amendment.

THE HONOURABLE MR. HOSSAIN IMAM : We have just passed the Bill to amend the Indian Navy (Discipline) Act, 1934, for certain purposes. The last Bill that we passed also pertains to the same Act and to the same Schedule. I am asking why there are two Bills ?

THE HONOURABLE THE PRESIDENT : Is it your point that both these Bills ought to have been incorporated into one Bill ?

THE HONOURABLE MR. HOSSAIN IMAM : Yes, Sir.

THE HONOURABLE THE PRESIDENT (to the Honourable Mr. Williams) : Have you got anything to say ?

THE HONOURABLE MR. A. DEC. WILLIAMS : Nothing, Sir.

THE HONOURABLE THE PRESIDENT : It is their option. Government can do what they like. If they like to bring in half a dozen Bills, they can do so.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Is it not the duty of Government to proceed in a business-like way and not to tell us, " We shall do whatever we like " ? We are not here to listen to such replies.

THE HONOURABLE MR. HOSSAIN IMAM : There must be some reason. I do not think Government are simply doing it because they wish it.

THE HONOURABLE THE PRESIDENT : Motion made :

" That the Bill further to amend the Indian Navy (Discipline) Act, 1934 (*Second Amendment*), as passed by the Legislative Assembly, be taken into consideration."

Question put and Motion adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. DEC. WILLIAMS : Sir, I move :

" That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

#### CANTONMENTS (AMENDMENT) BILL.

THE HONOURABLE MR. A. DEC. WILLIAMS (Nominated Official) : Sir, I move :

" That the Bill further to amend the Cantonments Act, 1924, as passed by the Legislative Assembly, be taken into consideration."

Sir, the Cantonments Act is very voluminous and from time to time practical difficulties have been experienced and come to light in its working. These amendments are designed to remove some of those practical difficulties which are explained in the Notes on Clauses appended to the Statement of Objects and Reasons. I do not think, Sir, that it will be convenient if I add anything to those notes at this stage. But if, when the clauses come up, any Honourable Member wishes to have anything explained, I shall be pleased to do so.



**THE HONOURABLE MR. P. N. SAPRU** (United Provinces Southern : Non-Muhammadan) : Sir, I would like to make one or two inquiries with regard to certain points in this Bill. First of all, in clause 2 it is proposed to amend section 27 (2) (i) to enable persons who are subjects of States in India to be enrolled as electors provided they are otherwise qualified. I have no objection to Indian States subjects being enrolled as voters in British India. That is not my point. But what I want to know is whether such treatment is accorded to British Indian subjects in such Indian States as have elected Cantonment Boards or Municipal Boards ? I want reciprocity in this matter and if there are any Indian States which do not accord to British Indian subjects the privilege of voting in elections to Cantonment Boards or Municipal Boards, then the Government of India should take steps to make representations to them and secure for British Indian subjects the same rights that are accorded to the subjects of Indian States.

Then, Sir, I have a little difficulty in regard to clause 8—Schedule V. At present there is a right of appeal and it is proposed to deprive the person, who has a right of appeal now, of it in future. I would like the Honourable Mr. Williams to explain to us—because I have not got the Cantonments Act before me—the exact meaning and scope of this section. I do not like any subject to be deprived of any right of appeal that he has already. I would like the Honourable Member to explain exactly what this section means and what the effect of this section will be upon those who are affected by it. These are all the observations I have to make on this Bill.

**THE HONOURABLE MR. A. DE C. WILLIAMS** : I would prefer to give, Sir, the explanations as the clauses come up. Some other Honourable Members may have something else to say.

**THE HONOURABLE THE PRESIDENT** : Motion made :

“ That the Bill further to amend the Cantonments Act, 1924, as passed by the Legislative Assembly, be taken into consideration.”

Question put and Motion adopted.

**THE HONOURABLE THE PRESIDENT** : The Question is :

“ That clause 2 stand part of the Bill.”

The Motion was adopted.

**THE HONOURABLE THE PRESIDENT** : The Question is :

“ That clauses 3, 4, 5, 6, 7 and 8 stand part of the Bill.”

**THE HONOURABLE MR. P. N. SAPRU** : I was expecting a reply to my question, Sir.

**THE HONOURABLE THE PRESIDENT** : You are too late now. After the Motion for Consideration was passed you ought to have got up.

**THE HONOURABLE MR. P. N. SAPRU** : I had expected a reply to my question on clause 2.

**THE HONOURABLE THE PRESIDENT** : You were not vigilant enough. I am sorry. I waited for a second ; you did not get up.

**THE HONOURABLE MR. P. N. SAPRU** : In the third reading I hope he will give us the reply.

THE HONOURABLE THE PRESIDENT : You can ask for it then.

The Question is :

" That clauses 3, 4, 5, 6, 7 and 8 stand part of the Bill."

THE HONOURABLE MR. P. N. SAPRU : I shall be vigilant this time. I have put my question in regard to clause 8 and I hope the Honourable Member will give a reply.

THE HONOURABLE THE PRESIDENT : I will then put clauses 3, 4, 5, 6 and 7 first. The Question is :

" That clauses 3, 4, 5, 6 and 7 stand part of the Bill."

The Motion was adopted.

THE HONOURABLE THE PRESIDENT : The Question is :

" That clause 8 stand part of the Bill."

THE HONOURABLE MR. P. N. SAPRU : I have already asked the question and I have made my point. I want to know why it is proposed to deprive persons who have a right of appeal of that right in future ? I want exactly to know what the purport and meaning of this clause is ? I have not got the Cantonment Act before me and I want just to understand for my own benefit what the meaning of this clause is ? I do not want to vote for it unless I know what the clause is.

THE HONOURABLE MR. A. DEC. WILLIAMS : The item which it is proposed to delete from Schedule V refers to section 137 and it confers a right of appeal against a notice from a Board under that section. Well, if you look at section 137 you find that no such notice can be given under it. The thing is a mistake, a misdescription. So what we are doing by deleting it, and not amending the section, cannot take away any right of appeal ; because no right of appeal can exist in respect of a notice which cannot be given. What we are possibly doing by refraining from amending and correcting the mistake is abstaining from conferring a *further* right of appeal.

THE HONOURABLE THE PRESIDENT : The Question is :

" That clause 8 stand part of the Bill."

The Motion was adopted.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. A. DEC. WILLIAMS : Sir, I move :

" That the Bill, as passed by the Legislative Assembly, be passed."

THE HONOURABLE MR. P. N. SAPRU : I should like the Honourable Mr. Williams to tell me exactly what the position in regard to clause 2 is, whether he is prepared to represent to the Indian States who have elected bodies to give to British Indian subjects the same privilege that we are accord- ing them under this clause ?

THE HONOURABLE MR. A. DEC. WILLIAMS : Sir, having regard to the terms of the rules and standing orders relating to questions and resolutions regarding Indian States, I am reluctant to enlarge on this topic at all ; but

[Mr. A. deC. Williams.]

I think if the Honourable Member were to look into the question of fact as to the number of elected municipalities in those States, he will probably appreciate that the point he is raising is for the time being at any rate merely academic.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU** (United Provinces Northern : Non-Muhammadan) : But there are certain States which have elected municipalities. What about them ? I mean to say that if they are not going to concede this right to us I see no reason why we should vote in favour of the Bill. You may be able to carry the Bill through but we shall at any rate be able to register our protest against this one-sided Bill.

**THE HONOURABLE MR. A. DEC. WILLIAMS** : I should like to place it on record as my personal view that, if any Honourable Member opposite votes against the Bill for that reason only, it will not look too well.

**THE HONOURABLE THE PRESIDENT** : Motion made :

" That the Bill, as passed by the Legislative Assembly, be passed."

Question put : the Council divided :

AYES—24.

Ataullah Khan Tarar, Hon. Chaudhri.  
Bajpai, Hon. Sir Girja Shankar.  
Charanjit Singh, Hon. Raja.  
Chinoy, Hon. Sir Rahimtoola.  
Conran-Smith, Hon. Mr. E.  
Das, Hon. Rai Bahadur Satyendra Kumar.  
Dow, Hon. Mr. H.  
Ghosal, Hon. Sir Josna.  
Govindachari, Hon. Rao Bahadur K.  
Haider, Hon. Khan Bahadur Shams-ud-Din.  
Hydari, Hon. Mr. M. S. A.  
Jones, Hon. Mr. C. E.

Khurshid Ali Khan, Hon. Nawabzada.  
Lal, Hon. Mr. Shavax A.  
Lloyd, Hon. Sir Alan.  
Menon, Hon. Sir Ramunni.  
Muhammad Yakub, Hon. Sir.  
Mukherjee, Hon. Sir Satya Charan.  
Parker, Hon. Mr. R. H.  
Richardson, Hon. Mr. J. H. S.  
Roy, Hon. Mr. S. N.  
Sobha Singh, Hon. Sardar Bahadur.  
Williams, Hon. Mr. A. deC.  
Wilson, Hon. Mr. L.

NOES—12.

Askuran, Hon. Mr. Shantidas.  
Chettiyar, Hon. Mr. Chidambaram.  
Dalal, Hon. Mr. M. N.  
Das, Hon. Mr. N. K.  
Hossain Imam, Hon. Mr.  
Kalikar, Hon. Mr. V. V.

Kunzru, Hon. Pandit Hirday Nath.  
Mahtha, Hon. Rai Bahadur Sri Narsain.  
Mitha, Hon. Sir Suleman Cassum Haji.  
Muhammad Husain, Hon. Haji Syed.  
Sapru, Hon. Mr. P. N.  
Sinha, Hon. Kumar Nripendra Narayan.

The Motion was adopted.

## REPEALING AND AMENDING BILL.

**THE HONOURABLE MR. SHAVAX A. LAL** (Nominated Official) : Sir, I move :

" That the Bill to repeal certain enactments and to amend certain other enactments, as passed by the Legislative Assembly, be taken into consideration."

This is a formal measure the purpose of which has been fully explained in 12 Noon. the Statement of Objects and Reasons.

Sir, I move.

**THE HONOURABLE MR. HOSSAIN IMAM** (Bihar and Orissa : Muhammadan) : Sir, I want some information. I had expected that Mr. Lal would give us some more details because the number of the Acts which are being repealed is rather formidable. In the first place we are glad that today we are

repealing an Act of the Governor General. Acts of the Governor General, as you know, are mostly recommended and certified Bills.

**THE HONOURABLE THE PRESIDENT :** This is not the first time.

**THE HONOURABLE MR. HOSSAIN IMAM :** Sir, so much the better. I should like to understand what exactly is the position about Act XIV of 1931 and Act II of 1936. In the Statement of Objects and Reasons it is stated that these Acts are purely of an amending nature and to remove from the Statute-book certain Acts or portions of Acts ; but we should like him to explain more fully as to what is the implication of removing from the Statute-book the Salt (Additional Import Duty Extending) Act. Under what Act will the additional duty be imposed now ; and if the object is, as I take it, not to abolish additional duty but to continue the imposition then under what Act are we imposing it ? Secondly, he must give us some information about the Governor General's Act of 1936 as given on page 4 in which the part to be repealed is only the name " to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898 ". Now, merely the repeal of the name has no effect. If you remove the name does it mean that you amend the Act in any way ? What is the object in saying that the Act of the Governor General should remain operative but only the name should be repealed ? It is rather ununderstandable and I would appeal to Mr. Lal to be more explicit and to explain the matter.

**THE HONOURABLE MR. SHAVAX A. LAL :** Sir, the whole purpose of the Bill is to remove superfluity from the Statute-book and these words, if left in the long title and preamble, would make it meaningless. There is no reason for keeping these words when they carry no meaning. This Bill proposes to remove the superfluous and to leave just those provisions which are necessary. That is the purpose of the Bill, and there is nothing improper in amending the long title and the preamble.

**THE HONOURABLE THE PRESIDENT :** You mean to say that this is the periodical removing of the defects.

**THE HONOURABLE MR. SHAVAX A. LAL :** Yes, Sir, this is the periodical pruning.

**THE HONOURABLE MR. HOSSAIN IMAM :** During the last four years Government have passed the Finance Bills by certification as Governor General's Acts. Why are the other Acts of 1936, 1937, 1938 and 1939 not amended and why it is being moved only in respect of one Act.

**THE HONOURABLE THE PRESIDENT :** Is there any superfluity ?

**THE HONOURABLE MR. HOSSAIN IMAM :** I am referring to the previous Finance Bills all of which were passed by certification.

**THE HONOURABLE MR. SHAVAX A. LAL :** The presumption is that they are necessary.

**THE HONOURABLE MR. HOSSAIN IMAM :** Will the Honourable Member justify that presumption ; he must give more information to the House before it can accept it.

**THE HONOURABLE MR. SHAVAX A. LAL :** The question before the House is the present Bill and not whether some other Act ought to have been amended in a certain way or should not have been amended. As these Acts are not before the House naturally that question does not arise. In that case I will have to satisfy the Honourable Member as regards all the Acts on the Statute-book.

**THE HONOURABLE MR. HOSSAIN IMAM :** May I draw his attention to the Act of 1935 ? I do not think Government is justified in doing everything in a haphazard and in an arbitrary manner. There should be some method even in this Government.

**THE HONOURABLE MR. SHAVAX A. LAL :** There is nothing haphazard in it. Government only makes such formal changes as are absolutely necessary, and when any doubt about utility arises Government resolves it by leaving those provisions intact. It will be beyond my capacity to explain as to why certain Acts, not included have not been amended.

**THE HONOURABLE THE PRESIDENT :** He only mentions previous Finance Acts.

**THE HONOURABLE MR. SHAVAX A. LAL :** The question should be confined to the Acts which are before the House ; I could not be expected to explain as to why other Acts are not amended.

**THE HONOURABLE MR. HOSSAIN IMAM :** The Honourable Member has not enlightened us under what Act we are to collect the additional salt duty after it has been repealed.

**THE HONOURABLE MR. SHAVAX A. LAL :** I would have satisfied the Honourable Member if he had consulted me. There must have been some enactment which provided for it. While repealing we do not make any changes of substance. You cannot repeal a duty which is otherwise leviable.

**THE HONOURABLE THE PRESIDENT :** Motion moved :

"That the Bill to repeal certain enactments and to amend certain other enactments, as passed by the Legislative Assembly, be taken into consideration."

Question put and Motion adopted.

Schedule I was added to the Bill.

Clause 2 was added to the Bill.

Schedule II was added to the Bill.

Clause 3 was added to the Bill.

Clause 4 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**THE HONOURABLE MR. SHAVAX A. LAL :** Sir, I move :

"That the Bill to repeal certain enactments and to amend certain other enactments, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

## INDIAN REGISTRATION (AMENDMENT) BILL.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir,  
I move :

"That the Bill further to amend the Indian Registration Act, 1908, for certain purposes, as passed by the Legislative Assembly, be taken into consideration."

Sir, the Bill in respect of which I am moving this Motion is designed to remedy a defect which was due to the omission *per incuriam* to amend section 28 of the Indian Registration Act at the time when clause (e) was inserted in sub-section (1) of section 17 of that Act by section 10 of the Transfer of Property (Amendment) Supplementary Act of 1929. Section 17 (1) of the Indian Registration Act deals with documents the registration of which is compulsory. Section 28, which provides for the registration of documents relating to land, covers the documents mentioned in the four clauses, namely (a) to (d), which were contained in section 17 (1) as it stood before the amendment in 1929, and provides that they shall be presented for registration in the office of the Sub-Registrar within whose sub-district the whole or some portion of the property is situated. If the property is not situated wholly within one sub-district, the Sub-Registrar is required by section 64 of the Act to send a memorandum of the property to every Sub-Registrar within whose jurisdiction any part of the property is situated. He is also required to file a memorandum. When the new clause (e) was added to section 17 (1) by the amending Act to which I have referred, the corresponding addition should have been made in section 28 of the Indian Registration Act so that the same procedure would apply to documents mentioned in that clause. This, however, was not done and clause 3 of the Bill now before the House seeks to remedy that omission.

Clause 2 of the Bill inserts an additional clause in section 18 of the Act corresponding to clause (e) of section 17 (1). Section 18, as Honourable Members are aware, deals with documents the registration of which is optional. The effect will be that documents of the nature referred to in clause (e) of sub-section (1) of section 17, when the value of the property is less than Rs. 100, will be treated in the same way with regard to registration and indexing as the other documents covered by that sub-section. A corresponding addition is made in section 28.

Sir, I move.

The Motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. CONRAN-SMITH: Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

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## CODE OF CIVIL PROCEDURE (AMENDMENT) BILL.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary): Sir,  
I move :

"That the Bill further to amend the Code of Civil Procedure, 1908, as passed by the Legislative Assembly, be taken into consideration."

Sir, this small Bill is intended to remedy an error which arose in the course of adaptation of the Statute-book. That adaptation was, as Honourable Members are aware, carried out in order to bring the provisions of the existing

[Mr. E. Conran-Smith.]

law into conformity with the constitutional position arising under the Government of India Act, 1935. As the Statement of Objects and Reasons explains, the words "Courts of the Province", which occur in the proviso to section 29 of the Code of Civil Procedure, were substituted for the words "such Courts" when the Act was adapted. This has had the wholly unintended effect mentioned in the Statement of Objects and Reasons, i.e., the Courts of the Province to which the provisions of section 29 are declared to apply would be required to serve summonses issued by Courts outside British India whether or not the country in which those Courts are situated had entered into a reciprocal arrangement with British India. Sub-clauses (2) and (3) of clause 2 (1) (b) of the Bill rectify this error. The remaining provisions of clause 2 are designed to set at rest a point of doubt which had arisen and to make it clear that processes other than summonses, e.g., judgments of a foreign Court, are covered by the terms of section 29.

Clause 3 of the Bill merely corrects an obsolete reference.

Sir, I move.

The Motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. E. CONRAN-SMITH : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

#### CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL.

THE HONOURABLE MR. E. CONRAN-SMITH (Home Secretary) : Sir, I move :

"That the Bill further to amend the Code of Criminal Procedure, 1898, as passed by the Legislative Assembly, be passed."

Sir, before the separation of Burma, Chapter XL of the Criminal Procedure Code which deals with commissions for the examination of witnesses applied to commissions issued by courts in British India to courts in Burma, and *vice versa*, but since Burma has been separated from India the chapter no longer applies to the issue of such commissions. This Bill seeks to make provision for the establishment of a similar procedure for reciprocal service of commissions as between courts in British India and courts in Burma. The Government of Burma have agreed to make a corresponding provision in the law in force in Burma. Sub-clause (2) of clause 1 of the Bill gives the Central Government power to notify the date on which this measure shall come into force. It will thus be possible for the Act to be brought into force in British India at a date subsequent to that on which Burma has amended the law of that country.

Sir, I move.

The Motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. E. CONRAN-SMITH : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

## INDIAN COMPANIES (AMENDMENT) BILL.

**THE HONOURABLE SIR ALAN LLOYD** (Commerce Secretary): Sir I move :

"That the Bill further to amend the Indian Companies Act, 1913, as passed by the Legislative Assembly, be taken into consideration."

This Bill, Sir, is designed to fill a lacuna in the existing law, which has caused some embarrassment to various Provincial authorities, relating to the disposal of unpaid dividends out of liquidation of companies. The Provincial Governments have been consulted and are unanimously in favour of legislation of the type that is now before us. Perhaps Honourable Members will wish to be satisfied that the provisions of this Bill, which include the transfer of these funds after a period of 15 years from the special account to be opened by the Reserve Bank of India to the general revenue account of the Central Government, do not in any way interfere with the existing rights of any person. That, Sir, is secured by the provisions of the Bill. Sub-section (5) of the proposed section allows claims to be made without any new limitation, and sub-section (6) makes special provision that where such a claim is made after the period of 15 years has expired, the amount is payable, if the claim is otherwise valid under the other provisions of the law, out of the general revenues.

Sir, I move.

**\*THE HONOURABLE MR. HOSSAIN IMAM** (Bihar and Orissa : Non-Muhammadian): Sir, I want some information and I should be much obliged if the Honourable Member will give it. In clause 2, proposed sub-section (5) says :—

"Any person claiming to be entitled to any money paid into the Companies Liquidation Account in pursuance of this section may apply for payment", etc.

The procedure is laid down as to how the courts shall proceed. But no time limit is given during which such claims can be made. Is the Limitation Act applicable or is it intended that there should be no limitation at all? My question is, whether the Limitation Act will apply—the ordinary limit of three years—or whether the claim can be made perpetually? That is my first point.

The second point is this. Proposed sub-section (7) says that a liquidator who retains the money which should have been deposited will be liable to a penal interest of 20 per cent. per annum. I want to know whether that 20 per cent. would be charged to the liquidation account or whether it will be a personal imposition on the liquidator. The purport of the whole section seems to be that it will be a personal imposition on the liquidator, as appears from the provision lower down that his own fees, to which he will be entitled from the courts, will be confiscated. But the wording is not quite happy. It is not clear whether it will be charged to the liquidation account or to the personality of the liquidator.

**THE HONOURABLE SIR ALAN LLOYD**: As regards the first question, Sir, that was asked by my Honourable friend, I perhaps was not sufficiently clear in my earlier remarks. I wish to make it clear that the wording of sub-section (5) does not interfere with the existing law in any way at all. It did not remove a limitation, it did not create a limitation. Claims remain to be made in accordance with the provisions of the existing law.

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\* Not corrected by the Honourable Member.



[Sir Alan Lloyd.]

As regards the second point, the liability is undoubtedly upon the liquidator himself in his personal capacity and I think I may say with confidence that the general provisions of the Indian Companies Act prevent the liquidator's including such liability in the liquidation account.

**THE HONOURABLE MR. HOSSAIN IMAM :** Arising out of this answer, I would like to know why the period of 15 years has been fixed during which the Reserve Bank is to keep that account as inoperative. If the ordinary limitation applies, that would mean that within three years, or at the most five years, the account should be transferred to the central revenues. By providing a period of 15 years during which the Reserve Bank will keep the account in suspense, a presumption might be created that the ordinary Limitation Acts do not apply. I should like the Honourable Member to explain that.

**THE HONOURABLE SIR ALAN LLOYD :** I do not think that any lawyer would raise such a presumption as my Honourable friend suggested. The period of 15 years is an arbitrary one. It is for convenience. So long as there is likely to be a reasonably substantial amount in the account of any liquidation, so long the special account is kept open.

**THE HONOURABLE THE PRESIDENT :** The Honourable Member knows that in certain cases, liquidations have continued for 10 or 15 years.

**THE HONOURABLE SIR ALAN LLOYD :** I was coming to that, Sir. It bears no relation to any period of limitation. It would, as a matter of fact, have to be a matter of perhaps 21 years if you were to bring it under limitation.

**THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce) :** 61.

**THE HONOURABLE SIR ALAN LLOYD :** In the case of suits relating to dividends on liquidation, one has got to remember that the ordinary limitation period is quite insufficient in the case of a creditor who is a minor. It is quite possible that the creditor in a liquidation is a minor. He might be very young indeed and he has to wait till his majority to make his claim. But some arbitrary period had to be taken and 15 years was taken as being one which was likely to cover all except an extremely negligible minority of cases.

**THE HONOURABLE MR. HOSSAIN IMAM :** May I just ask——

**THE HONOURABLE THE PRESIDENT :** You cannot ask several questions, at different times. You ought to have put all the questions together. That is the practice, and as an old Member of Council, you ought to know that. You can only make one speech.

**THE HONOURABLE MR. HOSSAIN IMAM :** The Honourable Member has made statements out of which these questions arise. He has stated that 15 years was provided so as to cover some limitation——.

**THE HONOURABLE SIR ALAN LLOYD :** I said nothing of the sort. I said that 15 years was an arbitrary period for convenience.

**THE HONOURABLE MR. HOSSAIN IMAM :** It was an arbitrary period and he said that there may be instances in which even that period may be exceeded on account of litigation and minority. In sub-section (6) provision has been made that even the central revenues will continue to be liable for the payment after the 15 years. That is why I wanted to know. The liability of the central revenues remains. Why then allow the Reserve Bank to keep the account open and in suspense for 15 years ?

**THE HONOURABLE MR. R. H. PARKER :** As a matter of convenience.

**THE HONOURABLE SIR ALAN LLOYD :** I attempted to explain that before. We had to choose some period. So long as there is likely to be a reasonably large number of deposits in the account, it is more convenient to keep that account open. When the number of deposits is likely to be reduced to something small or negligible, then it is to everybody's convenience to close it. I attempted to explain that before, Sir.

**THE HONOURABLE THE PRESIDENT :** Motion made :

"That the Bill further to amend the Indian Companies Act, 1913, as passed by the Legislative Assembly, be taken into consideration."

Question put and Motion adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**THE HONOURABLE SIR ALAN LLOYD :** Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

## WAR DONATIONS AND INVESTMENTS (COMPANIES) BILL.

**THE HONOURABLE SIR ALAN LLOYD** (Commerce Secretary) : Sir, I move :

"That the Bill to enable companies in British India to make donations to public funds formed, and to make investments in Government loans floated, for the purpose of assisting the prosecution of the present war, as passed by the Legislative Assembly, be taken into consideration."

Sir, the title which I have read out indicates the purpose of this Bill. At present many companies are debarred by their memoranda of association from making payments of the kind described, and a number of clubs in particular that have been registered as companies have found themselves in a difficulty in consequence. This Bill is designed to enable them to make such payments or investments in spite of the provisions of their memoranda of association. Honourable Members will perhaps on looking at the Bill have wished to satisfy themselves, as I wished when it first came before me, that it will not give Directors uncontrolled powers to make, from whatever laudable motives, investments or grants of the kind in question without the consent of the shareholders. I would draw attention in this connection to the words of clause 3 of the Bill, which enable the company "by special resolution" to authorize the making of the donation or investment.

**THE HONOURABLE THE PRESIDENT :** In all cases of special resolutions a three-fourths majority of shareholders is required ?

**THE HONOURABLE SIR ALAN LLOYD :** Yes, Sir, that is the case. I have before me here the Companies Act and the matter is dealt with by section 81, which has the effect which you have described. The interests of the shareholders are therefore fully secured and I think there can be no other question as to the desirability of passing this Bill.

Sir, I move.

**THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhamadan) :** Mr. President, Sir Alan Lloyd has very kindly explained to us that the term "special resolution" refers to the provision in the Companies Act in section 81. But may I draw his attention to the fact that there is nothing in the Bill to indicate that by special resolution you mean the special resolution as defined in any specific section of the Indian Companies Act. Special resolution here may mean a special resolution of the Board of Directors.

**THE HONOURABLE THE PRESIDENT :** No, special resolution means a vote by three-fourths of the shareholders present or represented by proxies.

**THE HONOURABLE MR. HOSSAIN IMAM :** I understand that under section 81 it is, but is there any mention in this Bill that by special resolution you mean that particular special resolution specified in section 81 of the Companies Act ? The wording is rather loose. Special resolution here may mean a special resolution of the Board of Directors, which the Honourable Member is very rightly not willing to allow.

**THE HONOURABLE THE PRESIDENT :** I am not sure but I think "special resolution" has been defined in the Act.

**THE HONOURABLE SIR ALAN LLOYD :** It is defined in the Companies Act. Section 81 of that Act defines a special resolution. As regards the applicability of that definition to this law, which is not expressed as an amendment, I think the Honourable Member will be satisfied if I point out that the only reason for passing this law is that it is the Indian Companies Act from which the memoranda of association derive their binding force. Therefore, it is perfectly obvious that if that binding force is to be relaxed the reference in this clause must be to the Indian Companies Act.

**THE HONOURABLE MR. HOSSAIN IMAM :** Will the Honourable Member just read out that part of the parent Act ?

**THE HONOURABLE SIR ALAN LLOYD :** Sub-section (2) of section 81 of the Indian Companies Act reads as follows :

" 'Special resolution' shall be a special resolution when it has been passed by such a majority as is required for the passing of an extraordinary resolution and at a general meeting of which not less than twenty-one days notice specifying the intention to propose the resolution as a special resolution has been duly given :

' Provided that if all the members entitled to attend and vote at any such meeting so care a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one days' notice has been given '."

The reference to the "extraordinary resolution" is in sub-section (1) which says :

"A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members entitled to vote as were present in person or by proxy where proxies are allowed at a general meeting".

**THE HONOURABLE MR. SHANTIDAS ASKURAN** (Bombay : Non-Muham-  
madan): But suppose the Directors want this to be passed, how will this  
legislation help them ?

**THE HONOURABLE SIR ALAN LLOYD** : This legislation will enable them  
to place the matter before their shareholders.

**THE HONOURABLE THE PRESIDENT** : Motion made :

"That the Bill to enable companies in British India to make donations to public  
funds formed, and to make investments in Government loans floated, for the purpose of  
assisting the prosecution of the present war, as passed by the Legislative Assembly, be  
taken into consideration."

Question put and Motion adopted.

Clauses 2 to 5 were added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**THE HONOURABLE SIR ALAN LLOYD** : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

### RESERVE BANK OF INDIA (THIRD AMENDMENT) BILL.

**THE HONOURABLE MR. C. E. JONES** (Finance Secretary) : Sir, I move :

"That the Bill further to amend the Reserve Bank of India Act, 1934, as passed by  
the Legislative Assembly, be taken into consideration."

Sir, this Bill has been promoted at the urgent and pressing request of the  
Reserve Bank of India, the central banking authority of the country which  
is specially interested in the soundness of the banking system of the country.  
The Central Board of the Reserve Bank have for long been seriously perturbed  
at the method of the working of section 42 of the Reserve Bank of India Act on  
account of the very limited scope of that section. I may remind Honourable  
Members that under sub-section 1 of section 42 of the Reserve Bank of India  
Act all scheduled banks are required to maintain with the Reserve Bank a  
daily minimum balance equal to 5 per cent. of their demand liabilities and 2  
per cent. of their time liabilities. The penalty for default in observing this  
requirement is prescribed in sub-section 3 of section 42, which is that the  
Reserve Bank can charge the defaulting banks penal interest on the amount in  
default and for the time the default continues. This charge of penal interest  
is the only sanction which the Reserve Bank is able to enforce. It is therefore  
possible for scheduled banks, so long as they are prepared to pay the penal  
interest to withdraw even to the full this statutory deposit which they should  
maintain with the Bank. Accordingly in quite a large number of cases we find  
scheduled banks, when they are unable to meet their liabilities or when their  
other assets are tied up and illiquid, withdrawing the funds which the law  
requires should be maintained as cash reserve with the Reserve Bank. This  
position is obviously unsatisfactory in the extreme and practically renders  
nugatory the safeguarding provision of section 42 of the Bank. The Reserve  
Bank have for some time been considering this position, and as long ago as  
May last year they addressed a formal letter to the Government explaining  
the legal position under this section. The Government gave publicity to this  
letter by publishing it in a press communique. This was done with the deli-  
berate object of removing from the public mind any misapprehension with

[Mr. C. E. Jones.]

regard to the very limited scope of section 42 as it now stands and of disillusioning the public of any idea that the existence of that section and the requirements in that section afforded any real protection to the depositors or any guarantee as to the soundness and the liquidity of the assets of the scheduled banks. Since that communique was published the Reserve Bank have had the matter under continual review and their experience is, that not only has there been no improvement in the position, but that there has actually been considerable deterioration; the number of banks defaulting, the number of days of default and the amount of penal interest paid all having increased substantially. There is moreover considerable evidence that the situation is still progressively deteriorating, and in certain individual cases the default is persistent and serious. The Central Board of the Reserve Bank have therefore taken the matter into their consideration again and have moved the Government immediately to promote this legislation. The original intention, as explained in the press communique, was to deal with this question when the comprehensive banking legislation was taken in hand. But as there is likely to be considerable delay in bringing the comprehensive banking legislation forward, the Reserve Bank have come to the conclusion that in the interest of sound banking early steps should be taken to tighten up the effectiveness of section 42, because otherwise the persistent evasion of section 42 might land a number of scheduled banks in severe difficulties and increase the number of liquidations. The lines on which the Central Board of the Reserve Bank recommended legislation are embodied in the Bill now before the House. There are two main provisions. The first one is drafted on the lines already applicable to non-scheduled banks by section 277L (4) of the Indian Companies Act. In that section, which requires non-scheduled banks to maintain certain minimum cash reserves, there is a provision that after a certain period of grace the directors and officers of the defaulting bank who knowingly and wilfully are parties to the default should become liable to a fine not exceeding Rs. 500 for every day during which the default continued. The proposal now is that this same liability should be imposed in the case of scheduled banks. Secondly, the Reserve Bank wish to go one step further and in the interest of depositors they desire a provision to be made to the effect that after that same period of grace the Reserve Bank should be empowered to serve notice, at their discretion, on the defaulting bank prohibiting it from accepting any fresh deposits until the minimum deposit required to be maintained had been restored, and that persons knowingly and wilfully parties to any transgression of this prohibition should be liable to the same penalty of Rs. 500 for every day during which fresh deposits were accepted and retained by the defaulting bank.

These penalties are admittedly severe, but a penalty of this nature is already in existence in the case of non-scheduled banks and it is of the greatest importance that the scheduled banks, in whom by reason merely of their status as scheduled banks the depositors and the public have greater confidence, should be subjected to a penalty not less severe. I think the House will agree that, if any penalty is proposed at all for a breach of this statutory requirement, that penalty should be deterrent and effective. That is the object of this Bill, with a view to ending what is admittedly a most unsatisfactory state of affairs.

Sir, I move.

**\*THE HONOURABLE MR. HOSSAIN IMAM** (Bihar and Orissa : Muham-madan) : Sir, we are grateful to the Honourable Mr. Jones for his very lucid explanatory speech in which he has introduced this Bill. It has removed

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\* Not corrected by the Honourable Member.

almost all the doubts which I had about this Bill and on which I might have asked some questions. He has himself stated that this is only an interim measure because the banking legislation is not yet ready. May I point out that the provision in section 42 regarding compulsory deposits is a very minor sort of provision, as far as liquidity or safety of the assets are concerned. A portion of the 5 per cent. of their demand liabilities and 2 per cent. of their time liabilities have to be deposited. He will himself admit that it is a very small proportion and it does not satisfy the liquidity or substantiality of the Reserve Bank. We have to wait for that banking legislation which will make this provision secure; but I should have liked to know from the Honourable Member if he has found any instance where this has been persistently done? The penalty in the existing Act is sufficient to deter people from infringing the letter of the law, because banks which cannot maintain even, say, 3½ per cent. liability in the Reserve Bank must be in a weak position.

**THE HONOURABLE THE PRESIDENT:** Are you contending that this legislation is superfluous?

**THE HONOURABLE MR. HOSSAIN IMAM:** It is not stringent; we want it to be more stringent. It is not one which would cover many banks. One or two banks could be covered by this, otherwise the need for the banking legislation has been further strengthened. All that I am asking is that Government should expedite that Bill so that we may have more substantial basis. I came across one of the scheduled banks system of accounts. The bank never held unsecured debentures.

**THE HONOURABLE MR. R. H. PARKER (Bombay Chamber of Commerce):** Unsecured debentures are common. A debenture is only a promise to pay.

**THE HONOURABLE MR. HOSSAIN IMAM:** Debentures are not always mortgaged debentures. Debentures are not securities which a bank should hold. Unsecured debentures are to be held by banks.

**THE HONOURABLE THE PRESIDENT:** Won't you wait till the revised Bill is brought before the Council? We are simply concerned with the amendment.

**THE HONOURABLE MR. HOSSAIN IMAM:** I simply want to know from the Honourable Member, without naming any banks, could he give us some idea of the number of banks which have defaulted in the past. I do not want the names of the banks. Of course, he cannot give that, as it brings the banks into contempt, but he can give us the numbers.

**THE HONOURABLE MR. C. E. JONES:** As regards the first point raised by my Honourable friend Mr. Hossain Imam, I would like to say that the Government are, of course, already aware that the deposits required to be maintained with the Reserve Bank by scheduled banks are a very small proportion of their assets and do not in themselves betoken the thorough soundness and liquidity of the banks' position. In fact, in the very communique to which I referred in my previous speech, this paragraph will be found. (This is in the letter from the Reserve Bank to the Government which was published in the press communique.)

"In the meantime, they are particularly concerned with another aspect of the matter. Section 42 requires the maintenance of these cash balances with the Reserve Bank and in the absence of other provisions in the law the scheduled banks are free to invest the remainder of their assets in whatever manner they choose; but it is, of course, these other assets which constitute the major part of the security for depositors' money. The public,

[Mr. C. E. Jones.]

however, appear to attach a greater importance to the statutory deposits than is justified, and although it may have now become known to many that the Travancore National and Quilon Bank was a persistent defaulter in the maintenance of its deposit prior to its closure, the Board are of the opinion that Government should forthwith bring to the notice of the public—

- (1) the misapprehension under which some members of the public still appear to be that section 42 is meant to afford real protection to depositors, and
- (2) that there is no legal impediment in the Act as it stands at present to the withdrawal of these deposits on payment by the defaulting bank of penal interest ”.

The position is that we are not ready to undertake comprehensive legislation at present but we say that, if a bank is in such a desperate position that it is unable to maintain these very small deposits required by the Act, then the sooner it goes into liquidation the better, and therefore we are seeking to impose a much more stringent penalty for default in this matter than the existing Act provides. That is the object of this legislation, merely to tighten up the effectiveness of this section as it is now, leaving the general question of the percentage of liquid assets which should be maintained by Banks in general and other questions of the sort over to the date when we can bring in fully considered and comprehensive legislation. When that date will be, Sir, I am not in a position to indicate.

The other point asked by my Honourable friend was as to the extent of the defaults. We have figures here for the six months July to December, 1939, which show that the number of defaults was 79, the number of days defaulted 223 and the amount of penalty interest Rs. 337. For the following half year, January to June, 1940, the number of defaults had increased from 79 to 80, the number of days defaulted from 223 to 439, and the amount of penalty interest from Rs. 337 to Rs. 3,015. That will show the deterioration in the position to which I have referred and the urgent need for this legislation.

THE HONOURABLE MR. HOSSAIN IMAM : Thank you, Sir.

THE HONOURABLE THE PRESIDENT : Motion made :

“ That the Bill further to amend the Reserve Bank of India Act, 1934, as passed by the Legislative Assembly, be taken into consideration.”

Question put and Motion adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. C. E. JONES : Sir, I move :

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

The Motion was adopted.

### MOTOR SPIRIT (DUTIES) AMENDMENT BILL.

THE HONOURABLE MR. C. E. JONES (Finance Secretary) : Sir, I move :

“ That the Bill further to amend the Motor Spirit (Duties) Act, 1917, as passed by the Legislative Assembly, be taken into consideration.”

The object of this Bill, Sir, is merely to change the definition of motor spirit as given in the Motor Spirit (Duties) Act in view of a change in circumstances. The change to which I refer is one which will be within the knowledge of Members of this House, namely, the interest which is being shown at present in the development of an industry for the manufacture of power alcohol from

molasses. The object of this industry, as also Honourable Members will be aware, is that of assisting the sugar industry and therefore also cane-growers by finding a useful and profitable outlet for molasses, which is a by-product of the sugar industry which has hitherto largely run to waste to the loss of factory owners and to the detriment of the industry and to the detriment incidentally of the countryside.

The chief use contemplated for this power alcohol is to use it in admixture with petrol to form motor spirit. To give the industry a fair chance of success by providing it with an assured market of reasonable dimensions, provincial legislation has been or is being passed in more than one province to make the admixture of power alcohol with petrol compulsory.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa : Muhammadan) : Will the Honourable Member say in what provinces ?

THE HONOURABLE MR. C. E. JONES : Legislation has been passed, I think, in the United Provinces and has been or is being passed in Bihar, but I am not sure of the stage reached in the latter province.

Now, power alcohol itself is not a hydro-carbon and therefore does not fall within the definition of motor spirit which now stands in the Motor Spirit (Duties) Act. Accordingly, because of this simple fact, power alcohol itself is not liable to the central excise duty as motor spirit, but as soon as it is mixed with petrol the whole mixture becomes at once liable to the central excise duty. The practical difficulty which results from this position is that, contrary to what is usual in the case of central excises, we are not in a position to assess and levy the duty on power alcohol at the places where it is produced. That is the usual procedure, which is convenient to Government for purposes of control and is convenient all round. But because of this technical difficulty we are unable, with the law as it stands, to levy the duty at the place of production of power alcohol, which leaves us no alternative but to levy the duty at a large number of places where the actual mixing takes place. Then there is the difficulty that the petrol has already paid its duty and the alcohol has not, so that when you have assessed on the mixture you have to give a rebate or refund of the amount which you have already been paid on the petrol and everybody is inconvenienced. The object of this Bill is to remove these inconveniences, and to reduce incidentally the possible field of evasion by making it impossible for power alcohol to leave the factory for the purposes of mixture without paying the duty for which it is liable. This object we propose to achieve by amending the definition of motor spirit in the Act so as to include power alcohol. This is the one and only provision in the Bill and I venture to think that it will not prove controversial.

Sir, I move.

The Motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

THE HONOURABLE MR. C. E. JONES : Sir, I move :

"That the Bill, as passed by the Legislative Assembly, be passed."

The Motion was adopted.

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The Council then adjourned till Eleven of the Clock on Monday, the 25th November, 1940.