

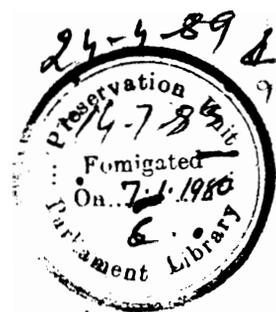
10th February 1945

THE
LEGISLATIVE ASSEMBLY DEBATES
Official Report

Volume I, 1945

(8th February to 23rd February, 1945)

TWENTY-SECOND SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY,
1945



LEGISLATIVE ASSEMBLY

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The Honourable Sir ABDUR BAKIR, K.C.S.I.

Deputy President :

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Panel of Chairmen :

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Syed GHULAM BHIK NAIRANG, M.L.A.

Mr. K. C. NEOGY, M.L.A.

Sir HENRY RICHARDSON, M.L.A.

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Captain HAJI SARDAR NUR AHMAD KHAN, M.C., I.O.M., I.A.

Committee on Petitions :

Mr. AKHIL CHANDRA DATTA, M.L.A. (*Chairman*).

Syed GHULAM BHIK NAIRANG, M.L.A.

Mr. GOVIND V. DESHMUKH, M.L.A.

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

Sardar SANT SINGH, M.L.A.

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LEGISLATIVE ASSEMBLY

Saturday, 10th February, 1945

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

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

†81. *

SECRET SESSION OF LEGISLATIVE ASSEMBLY FOR CONSIDERING WAR SITUATION

82. *Sardar Mangal Singh: Will the War Secretary please state whether a day will be set apart for the consideration of the war situation in a secret sitting of this Honourable House?

Mr. C. M. Trivedi: No, Sir: it is not proposed to set apart a day.

Mr. Lalchand Navalrai: Then what is the Honourable Member going to do to give us a statement? We must know the situation all round.

Mr. C. M. Trivedi: I am making a statement on the war situation in reply to the Honourable Member's question: it is coming up later in the Session.

Sardar Mangal Singh: May I know whether the question was considered by the Commander-in-Chief?

Mr. C. M. Trivedi: The question of allotting a day? Yes.

DEATH DUTIES BILL

83. *Sardar Mangal Singh: Will the Honourable the Finance Member please state whether the Government propose to bring forward the Death Duties Bill in this session of the Assembly? If so, when?

The Honourable Sir Jeremy Raisman: Yes, during the course of the Session.

POST WAR PLANNING COMMITTEE RECOMMENDED BY LEGISLATIVE ASSEMBLY

84. *Sardar Mangal Singh: Will the Honourable Member for Planning and Development please state:

(a) what action Government have taken or contemplate to take on the resolution passed by this Honourable House last session regarding post-war planning;

(b) whether a committee mentioned in that resolution will be appointed or the Government have rejected the recommendations of this House; and

(c) whether that resolution was considered by the Executive Council of the Viceroy or not?

The Honourable Sir Ardeshir Dalal: (a) and (b). I presume the Honourable Member is referring to the resolution adopted by the Legislative Assembly at its meeting held on the 17th November, 1944. After full consideration Government have decided to take no action on it.

(c) I regret that this information cannot be given.

AEROPLANE CRASH IN NAGPUR

†85. *Mr. Govind V. Deshmukh: Will the War Secretary please state:

(a) if he is aware that on the afternoon of the 27th of December, 1944, an aeroplane crashed in Nagpur and as a result of it some animals and human beings died and a milk dairy was also completely ruined though the pilot escaped unhurt;

(b) if any inquiry has been held as regards the cause of this accident; if so, what the cause was;

(c) if any compensation has been paid to the owners of cattle destroyed, the owner of the dairy and the close relatives of the deceased men or women; if not, why not; and

(d) the make and number of the model that crashed, the name of its pilot and his experience in flying?

† This question was withdrawn by the questioner.

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

Mr. C. M. Trivedi: (a) Yes, Sir.

(b) The accident is being investigated by a Court of Inquiry, but until the findings of the court are known, the reasons for the accident cannot be stated.

(c) Various claims for compensation have been received and are being examined.

(d) The aircraft was a Spitfire and the pilot was Flying Officer J. H. Scott, who at the time of the accident had 12-50 hours of solo-flying (including 7 hours on Spitfires) to his credit.

INDIA'S STERLING BALANCES

86. *Mr. Lalchand Navalrai: (a) Will the Honourable the Finance Member be pleased to state how much sterling balances are there with Britain on account of Indian debt?

(b) Is it a fact that the people and press of India have often asked the Indian Government to settle the sterling account with the British Government?

(c) What steps have Government taken to press upon the British Government to adjust the account of this debt now and not to wait for it till after the war is over?

(d) Do the Government of India remember that at the time of last war and at its close, differences arose as to the war accounts which caused trouble?

(e) Do Government propose to press the British Government to settle the accounts and not lead to similar trouble and irritation in connection with the sterling balances after the war? If not, why not?

The Honourable Sir Jeremy Raisman: (a) The sterling assets of the Reserve Bank of India on the 26th January, 1945, amounted to Rs. 1,304 crores.

(b) to (e). The Honourable Member is apparently confusing two matters, namely, (i) the prompt payment of monetary claims of the Government of India against His Majesty's Government and (ii) the utilisation of the balances arising from the payment of these claims.

As regards the former, the present financial settlement has been designed to secure the current settlement of accounts between the two Governments with the specific object of avoiding a repetition of claims and controversies similar to those which arose after the last war. The accounts are in fact normally settled without undue delay.

As regards the latter, informed opinion in India fully recognises that immediate utilisation of the sterling balances is not possible, and the Government of India have taken no steps to press upon His Majesty's Government action which is clearly impossible of achievement and which, if it were possible, would not be in the best interests of India.

Mr. Lalchand Navalrai: I did not confuse the two questions: I wanted answers to both of them. Will the Honourable Member tell me in the accounts that have been adjusted, what are the balances?

The Honourable Sir Jeremy Raisman: I did give the Honourable Member the figure: I mentioned that in reply to part (a).

Mr. Manu Subedar: What steps are Government taking to see that the sterling balances do not increase further than the huge amount in which they are at present?

The Honourable Sir Jeremy Raisman: The only step that Government can take is to secure a diversion of war demands on India and a larger compensation by way of imports into India; and as the Honourable Member knows, a mission is at present in London to secure those objects.

Mr. T. S. Avinashilingam Chettiar: We fully understand what the Finance Member has told us, that it cannot be paid over immediately; but is the Government taking any steps to see that these balances are reduced gradually over a number of years, even from now?

The Honourable Sir Jeremy Raisman: The problem at the present moment is to prevent excessive accrual of further balances—about which Mr. Manu Subedar asked—and I indicated the measures which are being taken in that respect.

Mr. T. S. Avinashilingam Chettiar: What is the balance up to date?

The Honourable Sir Jeremy Raisman: I gave that as 1,304.

Mr. Manu Subedar: May I know why Government are not now stopping purchases on behalf of the Allied Governments in this country in large quantities and importing from America and the United Kingdom what may be necessary?

The Honourable Sir Jeremy Raisman: That is to some extent the object of the Government and that is one of the main objects of the mission which has gone to England.

POST-WAR POLICY RE BRITISH ENTERPRISES IN INDIA

87. *Mr. Manu Subedar: (a) Will the Honourable Member for Planning and Development please state whether Government have considered in relation to their post-war planning and programme of the effect of sections 111 to 121 of the Government of India Act, 1935?

(b) Is it a fact that all forms of encouragement of Indian enterprise adopted by Government would have to be extended to enterprises which are totally British as to capital, management and personnel?

(c) Have Government considered how far schemes can be prepared by them which would effectively achieve the purpose if they have no power of discrimination?

(d) Is it proposed to use Indian capital and Indian Government's resources for bolstering up British enterprises in India?

(e) Have Government any means of preventing new enterprises with foreign capital being set up in this country when the capital is (i) wholly British, (ii) partly British and partly other nationals and (iii) partly British and partly Indian?

The Honourable Sir Ardeshir Dalal: (a) to (e), The points raised in this question are all under the consideration of Government.

Mr. Manu Subedar: May I know how far the consideration has proceeded, and whether Government are making their plans on the assumption that they will have this authority or whether they will not have this authority to discriminate?

The Honourable Sir Ardeshir Dalal: Which authority is my Honourable friend referring to?

Mr. Manu Subedar: Those particular sections which deprive the Government of India of an opportunity to give to an Indian concern a certain type of assistance, subsidy or any other help. They must extend this to any person or company from the United Kingdom. Now, if the Government of India are at present handicapped in this manner, what is the use of the Government of India planning? I want to know whether the plans are made on the assumption that this authority is going to be with the Government of India or whether they are going to be handicapped by the continuance of these sections.

The Honourable Sir Ardeshir Dalal: As my Honourable friend is aware, this is a question not only of economic but of a political character and requires an amendment of the Constitution Act. That is a very important and a very serious matter. The question is whether this should be considered separately from the general political situation or otherwise, and obviously a matter of such importance will require very careful consideration on the part of Government.

Mr. Manu Subedar: That is why I ask, how far the consideration has proceeded and whether the Government of India have requested His Majesty's Government to take steps for the omission of these sections.

The Honourable Sir Ardeshir Dalal: I am afraid I am not prepared to answer that question.

Mr. G. W. Tyson: With reference to the reply to part (b) of the question, will the Honourable Member state whether he is or is not aware that a large number of industrial undertakings in this country which are operated under British management and personnel are none the less wholly or almost wholly Indian in respect of the equity or ownership of capital?

The Honourable Sir Ardeshir Dalal: I am aware of the fact that a certain number of undertakings have a large percentage of Indian capital.

Mr. Abdul Qaiyum: Is the Honourable Member aware that political changes have to wait for unanimity among political parties, but on matters economic there is absolute unanimity in this country and may I know why the Government is hesitating to come to a decision in this matter?

The Honourable Sir Ardeshir Dalal: That may be the view of my Honourable friend opposite, but I do not think that is the unanimous view even of members of his own party, and there is an opinion that these questions had better all be settled at the time of the general political settlement.

Mr. K. C. Neogy: Is it to be understood that meanwhile the planning is proceeding on the assumption that these restrictions will continue to operate?

The Honourable Sir Ardeshir Dalal: The planning is proceeding on that assumption.

Mr. K. C. Neogy: Has the Honourable Member been informed by the Departments concerned, that in certain committees which are now dealing with departmental planning this issue has been specifically raised and the members, at least on one committee, felt that until and unless a decision was arrived at in regard to this particular point, it would be futile to go on with any further discussion on the subject?

The Honourable Sir Ardeshir Dalal: Further discussion on what subject?

Mr. K. C. Neogy: On the subject I have particularly in mind, the Shipping Policy Committee, where this issue was raised: we wanted to know as to whether the Government had a definition of Indian shipping which they could put forward for our consideration before we could proceed with the discussion of the proposals that were placed before us, and we did not get any satisfactory reply.

The Honourable Sir Ardeshir Dalal: I am aware that there is a great deal of feeling in the country on this particular subject and as I mentioned in my reply to my Honourable friend Mr. Manu Subedar, we have started taking action on the point but what particular action has been taken or how far we have gone I am not prepared to state at the present moment.

Mr. K. C. Neogy: Do I understand that this particular issue has not been taken up with His Majesty's Government at all, or is action being postponed in that direction till the settlement of the political issue?

The Honourable Sir Ardeshir Dalal: As I said, I am not prepared to say anything more on that subject.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has made his position quite clear.

Mr. Manu Subedar: May we expect a statement from the Honourable Member in the course of the Session?

The Honourable Sir Ardeshir Dalal: I am not prepared to give that undertaking. All I can say is that we have started moving in the matter and it may be to the interest of my Honourable friend opposite and his friends not to press the matter very much further at this stage.

UN-AUDITED FUNDS IN GOVERNMENT OF INDIA DEPARTMENTS

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

(a) how many unaudited funds there are in the departments of the Government of India;

(b) the particulars of these funds and in what departments they are held;

(c) how much has been spent through these unaudited funds in the last financial year; and

(d) the control which the Finance Department exercises over their expenditure?

The Honourable Sir Jeremy Raisman: (a) None.

(b) to (d). Do not arise.

Mr. T. S. Avinashilingam Chettiar: May I know whether there is a fund in the Home Department for secret service which is not audited?

The Honourable Sir Jeremy Raisman: The Honourable Member asked whether there were unaudited funds. 'Unaudited fund' is a technical term which I understood the Honourable Member to mean a fund which is, as it were, a separate pocket which is put aside and which can be operated on without being audited. But the Honourable Member apparently has in mind certain heads of expenditure which are classified as secret service expenditure which are not audited. He will find those quite openly mentioned in the Demands for Grants. For instance, he mentioned the Home Department. He will find under General Administration the expenditure of the Director, Intelligence Bureau. He will find a heading there 'Secret Service Expenditure' which is quite openly exhibited in the Demands for Grants.

Mr. T. S. Avinashilingam Chettiar: I am not referring to expenditure 'openly' or 'covertly'. I want to know how many Departments have such unaudited expenditure.

The Honourable Sir Jeremy Raisman: As far as I can see, there are five or six heads of expenditure which are unaudited.

Mr. T. S. Avinashilingam Chettiar: May we have them?

The Honourable Sir Jeremy Raisman: I should have to lay a statement on the subject. I could not read it out. There are only five or six. There is the sumptuary allowance of the Governor General. That is one. There is a contract grant for the Governor General and State conveyances and maintenance of motor cars of the Governor General. Those three heads are unaudited items. Actually the expenditure is controlled by another authority, namely, the Secretary of State.

Mr. T. S. Avinashilingam Chettiar: What is the total?

The Honourable Sir Jeremy Raisman: The total is about 3 lakhs. Then there is some expenditure under Defence Service: Expenditure by the Chief of the General Staff for security reasons. That expenditure is not exhibited.

Mr. D. K. Lahiri Chaudhury: What is the amount of that expenditure?

The Honourable Sir Jeremy Raisman: I cannot say. Under 'C—General Administration', there is the Director, Intelligence Bureau, Rs. 6,58,000; then under 'Tribunal Areas' there is Rs. 1,48,000; Under 'External Affairs' there is Rs. 1,18,000 and under 'Crown Representative' there is Rs. 7,000. Those are, I think, the unaudited items.

Mr. T. S. Avinashilingam Chettiar: What is the answer to part (d)?

The Honourable Sir Jeremy Raisman: The position is that no addition to the Budget grant and no transfer to meet other expenditure from it can be made without the sanction of the Finance Department. The heads of the spending departments concerned have also to conduct at least once a year a full administrative audit of the expenditure and to give a certificate of audit that the grant was properly spent. There are also certain secret service expenditure rules, which have been laid down by the Finance Department, which have to be observed.

DETENUS, ETC., IN PROVINCES AND THE CENTRALLY ADMINISTERED AREAS

89. *Mr. T. S. Avinashilingam Chettiar: Will the Honourable the Home Member please state:

(a) the number of detenus still kept without trial under the Defence of India Act in the various Provinces and the Centrally Administered Areas; and

(b) the number of convicted prisoners still in jail under the Defence of India Rules in the various Provinces?

The Honourable Sir Francis Mudie: (a) and (b). I lay on the table of the House a statement showing the number of persons undergoing detention under Ordinance III of 1944 or imprisonment after conviction under the Defence of India Rules on the 1st January 1945. Many of the persons concerned were not convicted or detained in connection with any political movement.

Statement showing the number of persons undergoing imprisonment on conviction under Defence of India Rules or detention under Ordinance III/44 on the 1st January 1945

Province	Imprisonment	Detention
Madras	755	114
Bombay	419	297
Bengal	385	3,614
United Provinces	1,350	600
Punjab	42	132
Bihar	2,156	330
Central Provinces	163	133
Assam	156	112
North-West Frontier Provinces	19	46
Orissa	77	84
Sind	37	2,041
Coorg
Delhi	102	19
Ajmer-Merwara	18	6
Baluchistan	20	...
Centre	46
Total	5,708	7,574

Mr. T. S. Avinashilingam Chettiar: What is the number?

The Honourable Sir Francis Mudie: The totals are: imprisoned 5,708; detained 7,574.

Mr. T. S. Avinashilingam Chettiar: The Honourable Member said that many of them were not convicted in connection with any political movement. May I know how many of them are in connection with the political movements in this case?

The Honourable Sir Francis Mudie: I would require notice of that.

Sir Cowasjee Jehangir: May I know what are the other movements?

The Honourable Sir Francis Mudie: Some are pro-Japanese. Some are *goondas*.

POST-WAR PLANNING COMMITTEE RECOMMENDED BY LEGISLATIVE ASSEMBLY

90. *Mr. T. S. Avinashilingam Chettiar: Will the Honourable Member for Planning and Development please state:

(a) whether Government have considered the resolution passed in this House on the 17th November, 1944, regarding the appointment of a Committee of the House to prepare a comprehensive plan for the post-war economic development of the country; and

(b) if so, what their decisions in the matter are?

The Honourable Sir Ardeshir Dalal: (a) and (b). I would refer the Honourable Member to my reply today to Question No. 84 by Sardar Mangal Singh.

Mr. T. S. Avinashilingam Chettiar: May I know the reasons why they took no action on the Resolution?

The Honourable Sir Ardeshir Dalal: For very cogent reasons which cannot be replied to in answer to a supplementary question but which would have been gone into fully by me if the Honourable Member and his friends had allowed me to make my speech at the last Session.

Mr. T. S. Avinashilingam Chettiar: If the Government wanted to put up other speakers from their side, it is their own mistake.

Mr. D. K. Lahiri Chaudhury: The Honourable Member got the chance to speak and he did not get up.

Mr. Abdul Qaiyum: Is it not a fact that the Honourable Member was told by me that if he did not get up to make a speech, the Opposition would ask for a closure?

The Honourable Sir Ardeshir Dalal: All that was arranged was that I should speak after the Leader of the Opposition but it was not made clear to me that I should speak immediately after the Leader of the Opposition.

Mr. Abdul Qaiyum: May I know if it is not a fact that instead of the Honourable Member getting up the Honourable the Supply Member was asked to get up.

The Honourable Sir Ardeshir Dalal: It is certainly true that the Supply Member got up but that is no reason why the closure should have been moved without hearing me.

Mr. Abdul Qaiyum: Is it not a fact that the object was that the National War Front Resolution should not be reached that day?

The Honourable Sir Ardeshir Dalal: No, Sir.

Mr. Abdul Qaiyum: Will the Honourable Member deny that I specifically requested that he should speak after the Leader of the Opposition, and that if he did not get up the Opposition would ask for closure. In spite of that, the Supply Member was put up to speak.

The Honourable Sir Ardeshir Dalal: There was an arrangement that I should speak after the Leader of the Opposition but it was not made clear to me that I should speak immediately after the Leader of the Opposition. (Cries of 'Oh'.) As a matter of fact, the idea in the beginning was not to move the closure at all but afterwards some arrangement was arrived at between the different parties and then closure was moved to our great surprise.

Sir Muhammad Yamin Khan: Was not the Honourable Member aware that the House usually sits up to 5 o'clock and that time was running out?

The Honourable Sir Ardeshir Dalal: There was plenty of time for the whole motion to be debated.

Sir Muhammad Yamin Khan: Did not the Honourable Member see that there was other business also put down on the agenda of that day?

The Honourable Sir Ardeshir Dalal: That could have been taken up in this session, as it has been taken.

Mr. Badri Dutt Pande: Is it not a fact that the Honourable Sir Ramaswami Mudaliar was put up as the Government speaker?

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

Mr. T. S. Avinashilingam Chettiar: Sir, the supplementaries have side-tracked the question itself. May I ask a question?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has got the explanation from the Government Member.

Mr. Bhulabhai J. Desai: Sir, with reference to this question, I think it is due to the House that I ought to state the correct facts, however vehemently they may be opposed by the other side. The fact remains that it was definitely arranged after I spoke that the Government Member would speak. In fact, it was the duty of the Member on the other side to speak before me because it was a non-official Resolution, but I made a concession out of respect for the other side and told the Member that I would not mind speaking first provided he immediately thereafter got up and the House got the benefit of his speech. It was made equally clear that if anything was done with a view to carry the debate in this Session of the Assembly—which was evidently the intention—I would resist it. Thereupon, the arrangement was definitely made and I therefore got up. After I finished my speech it was expected that the Member in charge would get up and address the House. Instead of that, Sir Ramaswami Mudaliar got up and it was amazing to me that an attempt was made—at least that is my inference and I ask the House to accept it—to put off the matter, so that if he spoke and thereafter some other Member spoke, the time will be up. It is perfectly incorrect to say that they had no opportunity if they desired to address the House and I think it is only right that the matter should be set right.

The Honourable Sir Ardeshir Dalal: The whole statement that is made by the Leader of the Opposition is incorrect. Originally, he was even inclined to let the debate be carried on to this Session because I told him that it was possible for the Government to re-consider it and accept the amendment as moved by Mr. Chettiar, but after some consultation with some of his colleagues at the last moment he decided to move the closure. When Mr. Abdul Qaiyum told me whether I would like to speak or the Leader of the Opposition, I said that as the subject-matter of the Resolution was not quite clear to Government, I should like the Leader of the Opposition to speak. That was all that happened. There was no arrangement that I should speak immediately after

the Leader of the Opposition, otherwise the closure would be moved and the closure was moved to our great surprise.

Mr. President (The Honourable Sir Abdur Rahim): The matter must be closed now.

FINANCIAL BURDEN ON INDIA DUE TO INCREASED PAY OF BRITISH SOLDIERS

91. *Mr. T. S. Avinashilingam Chettiar: Will the War Secretary please state:

(a) whether the financial burden arising from the recent increase of pay to British soldiers is borne wholly by England or shared by India also; and

(b) if the latter, the exact amount of financial burden that India has to bear?

The Honourable Sir Jeremy Raisman: The matter is under consideration.

Mr. T. S. Avinashilingam Chettiar: The matter has been hanging for a long time. May I ask when they propose to finish the consideration?

The Honourable Sir Jeremy Raisman: I am afraid I cannot give any further reply than that the decision has not been reached.

Mr. Manu Subedar: Will the Honourable Member make the matter quite clear in his Budget speech?

The Honourable Sir Jeremy Raisman: I shall endeavour to deal with it then if the decision is reached by then.

Mr. Manu Subedar: Why don't the Government expedite the decision because the people of India are feeling extreme anxiety when they read the mounting figures of account of defence? Why should not the Government make a special endeavour to complete the consideration of this matter before the Budget is introduced?

The Honourable Sir Jeremy Raisman: Surely, the Honourable Member realises that it is not merely a matter for the consideration of the Government of India. There is another party involved also.

Mr. T. S. Avinashilingam Chettiar: With reference to part (b) of the question, may I know the extent of the financial burden that is involved in this expenditure?

The Honourable Sir Jeremy Raisman: I cannot give the exact amount because the question was that if the latter is not fulfilled, so that (b) does not arise.

Mr. Manu Subedar: Was not Government aware that this question was bound to turn up and even if another party is involved, why can't the Government expedite the decision seeing that the whole of India is watching this mounting expenditure?

The Honourable Sir Jeremy Raisman: There is another side to the question. It may be equally said that a large section of people in Britain are also watching the heavily mounting defence charges in India which are debited to Britain.

Mr. Manu Subedar: Is the Honourable the Finance Member serving the people of Britain in this country or is he serving the people of this country?

The Honourable Sir Jeremy Raisman: I am serving the people of this country.

DETENTION OF UTTAM CHAND MALHOTRA OF PESHAWAR

92. *Mr. Abdul Qaiyum: Will the Honourable the Home Member please state:

(a) whether Uttam Chand Malhotra of Peshawar is in detention without a trial;

(b) when he was arrested and when his case was last reviewed;

(c) whether in March last he was operated upon for kidney trouble;

(d) whether he is seriously ill in the Dera Ghazi Khan jail;

(e) whether he will consider the desirability of his immediate transfer to some jail in the North-West Frontier Province and his release in view of his bad health;

(f) whether he has a wife and five children and is being paid Rs. 50 only per month; and

(g) whether Government consider this sum adequate or sufficient?

The Honourable Sir Francis Mudie: (a) Yes.

(b) He was arrested in June 1942 and his case was last reviewed in January this year.

(c) Yes, successfully.

(d) No. He is reported to be in good health.

(e) No.

(f) Yes.

(g) Yes, in view especially of the fact that he has well to do relatives who could assist the wife if she needed assistance.

Mr. Abdul Qaiyum: Does the Honourable Member consider a sum of Rs. 50 sufficient for a wife and five children of a respectable gentleman?

The Honourable Sir Francis Mudie: I have answered that question in part (g) of the question.

Mr. Abdul Qaiyum: Will the Government stop this Rs. 50 also so that the relatives may look after the family properly?

The Honourable Sir Francis Mudie: No.

Mr. Abdul Qaiyum: May I know the reason why this prisoner is not being sent back to his own province? Are there any particular reasons for that?

The Honourable Sir Francis Mudie: The question was whether he was being sent back to the North-West Frontier Province and released in view of his health. His health is perfectly all right and therefore there is no need to send him back to the North-West Frontier Province.

Mr. Ram Narayan Singh: May I know what is the standard by which these allowances are fixed?

The Honourable Sir Francis Mudie: There is no standard. In cases of necessity, the necessary allowance is given.

STOPPING RECRUITMENT OF NON-INDIANS TO INDIAN CIVIL AND INDIAN POLICE SERVICES

93. *Mr. Abdul Qaiyum: Will the Honourable the Home Member please state:

(a) whether he has read the demand of two Ex-Executive Councillors published on page 4 of the *Hindustan Times*, dated the 1st December, 1944, demanding the stoppage of recruitment of non-Indians to the Indian Civil Service and the Indian Police;

(b) whether the Indian and non-Indian proportion in these two services in the matter of new recruits continues unaltered since it was fixed by the Lee Commission twenty years ago;

(c) whether there is any justification for maintaining this proportion;

(d) whether Government is prepared to stop the recruitment of non-Indians in such services; if not, the reasons therefor;

(e) whether the suggestion in part (d) can be enforced without any alteration of the Government of India Act; and

(f) whether the Government of India will review the situation soon and come to a decision in the matter?

The Honourable Sir Francis Mudie: (a) and (b). Yes.

(c), (d), (e) and (f). Recruitment to the Indian Civil Service and the Indian Police is made by the Secretary of State for India under the Government of India Act, 1935, and not by the Government of India.

Mr. Abdul Qaiyum: May I know what representations have been made by the Government of India on this point?

The Honourable Sir Francis Mudie: No, Sir.

Mr. Abdul Qaiyum: May I know the reason why no representations have been made by the Government of India?

The Honourable Sir Francis Mudie: I did not say they have not been made.

Mr. Abdul Qaiyum: In view of the fact that it has been proclaimed that India will get independence after the war, is it desirable to still go on recruiting people for the I. C. S. and the I. P. from Great Britain?

The Honourable Sir Francis Mudie: That, Sir, is a matter of opinion.

Mr. Abdul Qaiyum: What is the opinion of the Government of India on this point? After all, they must have some opinion.

Sardar Mangal Singh: May I ask what is the reply to part (f)?

The Honourable Sir Francis Mudie: Roughly, the reply is that recruitment is made by the Secretary of State and not by the Government of India.

Sardar Mangal Singh: Part (f) says whether the Government of India will review the situation soon?

The Honourable Sir Francis Mudie: It is not for the Government of India to review the situation.

Sardar Mangal Singh: Surely, the Government of India can take up the question with His Majesty's Government?

The Honourable Sir Francis Mudie: The exact constitution position, I think, is that section 244 of the Act provides for a review of the Secretary of State. Whether or not that review would have taken place by this time had there been no war, it is impossible to say. But since the war started, it has been quite clearly impossible to review the position. The future has been too uncertain. People have been too busy. In fact, the data would not be certain on which to base the review, so that actually there has been no review at all by the Secretary of State. Presumably the position will be reviewed only when the position is clear. Up to this time there has been no review. But the constitutional position is that the review can be made by the Secretary of State.

Mr. T. T. Krishnamachari: May I ask the Honourable Member if any action has been taken under section 244 (4) where it is stated that the initiative shall be taken by the Governor General. Is the Governor General in Council prepared to recommend to the Governor General to represent to the Secretary of State that the time is opportune to make a review?

The Honourable Sir Francis Mudie: I am afraid I do not remember that section quite by heart.

Mr. T. T. Krishnamachari: May I read that section for the benefit of the Honourable Member, if the Chair allows it. Section 244 (4) of the Government of India Act says:

"It shall be the duty of the Governor General to keep the Secretary of State informed as to the operation of this section and he may after the expiration of such period as he thinks fit make recommendations for the modification thereof."

"In discharging his functions under this sub-section, the Governor General shall act in his discretion."

That is why I suggested that the Governor General in Council may recommend to the Governor General to take steps under this section?

The Honourable Sir Francis Mudie: It is not for the Governor General in Council to advise the Governor General as to what action he should take in his discretion.

Mr. K. C. Neogy: Are they not on speaking terms?

Sardar Sant Singh: Will the Honourable Member convey to His Excellency the Governor General the sense of this House that the question of recruitment requires to be reviewed and reviewed soon?

(No answer.)

Mr. T. T. Krishnamachari: Now that the lacuna in the information of the Honourable Member has been rectified, will the Honourable Member suggest to his colleagues in the Council to recommend to the Governor General to take necessary action?

The Honourable Sir Francis Mudie: I have answered that question.

Mr. Abdul Qaiyum: In view of the declared policy of Government that complete autonomy will come into force after the war, is it desirable to recruit people for services responsible to a body outside India just when the war is drawing to a close?

The Honourable Sir Francis Mudie: It is quite clear that when India gets independence, there will be no officials in this country responsible to any one except the Government of India or a Provincial Government. That is obvious.

Sir Muhammad Yamin Khan: In view of the statement made by the Honourable Member that in matters concerning the discretion of the Governor General, it is not the duty of the Government of India to advise him, is it not a fact that this advice is usually tendered? Is it not a fact that the Governor General is usually advised by the Department concerned wherever the question of discretion is concerned? For instance, is it not a fact that when a Bill is to be introduced in the legislature, usually the Department interested in the Bill advises the Governor General? Does the Honourable Member contend that the Governor General himself makes up his mind whether a Bill is to be introduced or not?

The Honourable Sir Francis Mudie: The Governor General acting in his discretion means in his discretion. If he wants any advice, he can ask for it. We cannot thrust our advice on him unasked.

Sir Muhammad Yamin Khan: Sir

Mr. President (The Honourable Sir Abdur Rahim): This sort of discussion cannot be carried on any further. Next question.

REVISION OF SUBVENTION TO NORTH-WEST FRONTIER PROVINCE

94. *Mr. Abdul Qaiyum: Will the Honourable the Finance Member please state:

- (a) whether according to the Niemeyer Award the amount of subvention to the North-West Frontier Province was due for revision in 1942-43;
- (b) whether any revision has taken place so far; if not, why not;
- (c) whether the Government of the North-West Frontier Province have made representations to the Government of India on the subject; and
- (d) if so, the response of the Central Government to the said representations?

The Honourable Sir Jeremy Raisman: (a) Sir Otto Niemeyer recommended in paragraph 16 of his Report that the subvention to the North-West Frontier Province should be subject to revision after 5 years' working of the Government of India Act, but this recommendation was not made part of the Government of India (Distribution of Revenues) Order-in-Council, 1936 and there is therefore no statutory obligation so to review it.

(b) No; no valid figure for a subvention can be arrived at in the present abnormal times.

(c) and (d). Communications of this nature between Governments are confidential.

Mr. Abdul Qaiyum: With reference to part (a) may I know whether the Subjects Committee had recommended in 1932 a basic subvention of 117 lakhs rising up to 164 lakhs?

The Honourable Sir Jeremy Raisman: I am afraid I have not got that document with me at present.

Mr. Abdul Qaiyum: May I know whether the case of N.-W. F. P. is not different from other subvention Provinces like Orissa and Sind, because unlike those two Provinces, the North-West Frontier was separated from the Punjab and constituted into a separate province in spite of the protests of the people of the Province?

The Honourable Sir Jeremy Raisman: There are special arguments applicable in the case of N.-W. F. P. which perhaps do not apply to the other two provinces, though I do not know that the one mentioned by the Honourable Member has been recognised as being valid.

Mr. Abdul Qaiyum: Is it not a fact that under section 142 of the Government of India Act, while the subvention for Orissa and Sind cannot be altered, there is a provision for increasing the subvention to N.-W. F. P. without an address presented to the Governor General by both Chambers of the Federal Legislature for submission to His Majesty praying that the increase may be made?

The Honourable Sir Jeremy Raisman: There is provision for varying the subvention. There is no presumption that the provision is one for increasing the

subvention. It is true that the arrangements in regard to N.-W. F. P. are more flexible than those in regard to the other two provinces which are in receipt of subvention, but there is no presumption that the subvention would be increased from time to time.

Mr. Abdul Qaiyum: Is there any ground which would justify reduction of this subvention or did any ground exist at that time?

The Honourable Sir Jeremy Raisman: That is a matter which can only be decided after a survey of the financial position of the Province and of the Centre and all other Provinces.

Mr. Abdul Qaiyum: In view of the attitude of the Government of India, will the Government consider the advisability of reamalgamating N.-W. F. P. with the Punjab, because that would save them a lot of money?

The Honourable Sir Jeremy Raisman: As far as the purely financial aspect of the matter is concerned, that might please me greatly.

Mr. Lalchand Navalrai: May I know whether the subvention of one crore which was being given to Sind has been stopped? Does the Honourable Member feel that Sind is at present solvent? Would he consider the question of giving back one crore to Sind?

Mr. President (The Honourable Sir Abdur Rahim): That does not arise out of this question.

Mr. H. A. Sathar H. Essak Sait: In view of the fact that my Honourable friend referred to review, may I know whether it will be after the war? If so, whether the case of N.-W. F. P. will come under review?

The Honourable Sir Jeremy Raisman: Questions relating to the financial relations of the Centre and the Provinces are under constant review.

Sir Muhammad Yamin Khan: Did Government ever review the position which was taken up by the Haig Committee which recommended a sum of 162 lakhs as subvention to N.-W. F. P. after five years from the start?

The Honourable Sir Jeremy Raisman: After the Haig Committee reported, there were further deliberations on this matter, there was the passing of the Government of India Act, there was Sir Otto Niemeyer's Enquiry and there was the statutory provision by Order in Council; and so a good deal of water has flowed under the bridges since the Haig Committee reported.

ARMY RE-ORGANISATION COMMITTEE

95. ***Mr. Abdul Qaiyum:** Will the War Secretary please state:

(a) whether any Army Re-organisation Committee has been set up in India; if so, when and by whom;

(b) the terms of reference of the said committee;

(c) when its report is likely to be made, and whether the same will be published; and

(d) whether this House will be consulted before any of the recommendations are given effect to?

Mr. C. M. Trivedi: (a) Yes, Sir. The Re-organisation Committee was set up by His Excellency the Commander-in-Chief in November, 1944.

(b) I lay a copy of the summary of the terms of reference on the table.

(c) and (d). The Committee is not likely to submit its report for some time. The question of publishing the report as well as the question asked in (d) will be considered at the proper time.

A Summary of the Terms of Reference to the Re-organisation Committee (India)

(a) To make recommendations for:—

(i) An Order of Battle for the Army in India required for Internal Security, the defence of the North-West Frontier, the North-East Frontier and the coasts and the general reserve.

(ii) The organisation for command and the distribution and location of the troops.

(iii) The identity and class composition of the units recommended for inclusion in the Order of Battle.

(iv) Armament and equipment—recommendations as to the types of armament and equipment required, e.g., 25 pr. gun, 3" mortar.

(v) The periods of colour and reserve service for the various arms.

(vi) The number and type of units of the Indian States Forces which could usefully be included in the Order of Battle, and their roles, in the event of Rulers being willing to provide such units.

(b) To consider the possibility of providing from Indian man-power the army forces required and to make general recommendations as to their composition and locations.

(c) To make detailed recommendations for the location of the air forces allotted primarily for India's initial local defence. To make general recommendations regarding the locations of air forces necessary for the defence of India against a major attack before reinforcements arrive, including the defence of the coasts.

(d) To examine those aspects of the army problem which have their counterpart in the problems facing the R.I.N. and the I.A.F., and to make recommendations with a view to achieving a policy common to all three Services.

In the course of the examination of the problems set out in the terms of reference, the Committee has been asked to give due consideration to the following matters:—

(a) the desirability of formations and units being organised on basic establishments (including weapons, equipment and transport) so as to ensure flexibility of employment in any type of country and simplicity in transportation by water, land or air.

(b) utilisation of air transport where possible in order to increase mobility and thus reduce the number of troops required.

(c) assumption by the civil authorities of increased responsibility for law and order and a progressive lessening of the army commitment in aid of the civil power.

(d) the spreading of recruiting over as wide an area as possible. Retention in the future regular army of war-raised units for this purpose.

(e) possibility of creating a 2nd line force on a localised basis which could undertake tasks the fulfilment of which is necessary in war, and of absorbing or replacing the existing Auxiliary and Territorial Forces. Such a militia force might thus reduce the numbers of regular troops tied down to static roles such as A. A. defence, coast defence, additional internal security duties consequent on expansion of the main administrative lay-out in India.

(f) the location of major training establishments.

(g) the grouping of units and formations in such a manner as to facilitate higher training in system of command analogous to war requirements.

(h) the desirability of simplifying the organisation and administration of the army.

Mr. Abdul Qaiyum: What is the intention of the Government? Will they consult this House if and when the report is published?

Mr. C. M. Trivedi: This matter will be considered at the proper time. The Committee is not likely to report till about ten months later, and it is premature at present to consider the question.

Mr. Abdul Qaiyum: What is the personnel of this Committee? Are there any Indians on the Committee? If so, what is the total number of Members on this Committee and how many are Indians?

Mr. C. M. Trivedi: The composition of this Committee was set out in a Press Note which was issued on 28th November. The Committee consists of six Members including the Chairman of whom one is an Indian officer.

Mr. Govind V. Deshmukh: Have the Government not made up their mind as to whether this House will be consulted or not on such an important question?

Mr. C. M. Trivedi: The Government must first see the report.

Mr. Govind V. Deshmukh: Even after seeing the report, is it open to the Government to say that it will not be desirable or necessary at all to consult the House under any circumstances?

Mr. C. M. Trivedi: As I have said already, the Government will consider the whole question when it receives the report.

Sardar Mangal Singh: May I know whether he has considered the question of associating non-Official Indian Members on this Committee?

Mr. C. M. Trivedi: Yes, Sir, but as this is a Committee of service experts, non-officials were not included in it.

Sardar Mangal Singh: Was not a similar Committee—the Esher Committee appointed after the last war on which there were non-official Indians?

Mr. C. M. Trivedi: As I have said, this is a Committee of service experts and so there is no question of including non-officials in it.

Mr. Abdul Qaiyum: As it is such an important Committee, will the Honourable Member give us a brief substance of the terms of reference?

Mr. C. M. Trivedi: I have laid a copy of the summary of the terms of reference on the table of the House.

Mr. Govind V. Deshmukh: Can we have the assurance that the report will not be pigeon-holed but will be made available to the House?

Mr. C. M. Trivedi: I have said that the question of publishing the report as well as the question in part (d) will be considered when the report is in the hands of Government.

Prof. N. G. Ranga: In view of the professed policy of Government to Indianise these services, why did Government think it advisable to have only one Indian on this committee of six?

Mr. C. M. Trivedi: As I said before, it is a committee of service experts and only one Indian officer of suitable seniority and experience was available.

Mr. K. C. Neogy: As the Honourable Member has emphasised the expert character of the members, may I know if the questions under consideration are of a purely technical character?

Mr. C. M. Trivedi: They are largely of a technical character and others which are not so will be examined by the committee from a purely military point of view; and the report of the committee, as stated in the press note, will provide a technical basis for consideration by the Government of India.

Prof. N. G. Ranga: Is not this committee expected to make recommendations in regard to the present and future recruitment to the services? If so, would not the interests of Indians be affected if only one Indian were placed on a committee of six?

Mr. C. M. Trivedi: I can assure the Honourable Member that Indian interests will not be affected adversely.

Prof. N. G. Ranga: As the Honourable Member has not even seen the recommendations of this Committee, how can he say that this committee of five English experts will not adversely affect Indian interests?

Mr. C. M. Trivedi: I am sure the committee will bear the interests of India in mind. That is the only object which the committee will bear in mind.

Mr. Manu Subedar: Does this Indian member hold the title of Khan Bahadur?

Mr. C. M. Trivedi: I would ask the Honourable Member to read the press note. The member is Brigadier K. M. Cariappa. He is not a Khan Bahadur or a Subedar.

ILL-TREATMENT METED OUT TO SRI JAI PRAKASH NARAIN IN JAIL

96. ***Mr. T. S. Avinashilingam Chettiar:** Will the Honourable the Home Member please state:

(a) whether Sri Jai Prakash Narain has given a statement in court that he has been tortured by the police and has been ill-treated in jail;

(b) whether Government have enquired into these matters; and

(c) if so, the result of their enquiries?

The Honourable Sir Francis Mudie: (a) Mr. Jai Prakash Narain made allegations to that effect in certain *habeas corpus* applications.

(b) and (c). No. The applications were presented to the High Court and were all dismissed. It was not for Government to enquire into them.

Sardar Sant Singh: May I know the nature of the allegations?

The Honourable Sir Francis Mudie: According to the Honourable Member, there were allegations of ill-treatment.

Prof. N. G. Ranga: Where is Mr. Jai Prakash Narain now?

The Honourable Sir Francis Mudie: I shall be answering a question on that later.

Mr. Bhulabhai J. Desai: Since the allegations were made has any inquiry been made by Government into the truth of those allegations?

The Honourable Sir Francis Mudie: I have answered that. The allegations were made in applications presented to the High Court in *habeas corpus* proceedings. The High Court dismissed the applications. It is not for Government to inquire into proceedings before the High Court.

Mr. Bhulabhai J. Desai: Is it suggested that the High Court dismissed them on the ground that the allegations were untrue?

The Honourable Sir Francis Mudie: I only got a copy of the judgment today. It says:

"It is stated by the learned acting Advocate-General that it is intended to transfer the petitioner to a place of detention outside the province. No question of his improper detention at the Lahore Fort therefore arises."

Then it goes on—

"The petitioner says that he wishes to take legal action against some officers on the ground that during his detention they have, in their treatment of the petitioner, exceeded their powers."

The usual procedure, as I am quite sure the Honourable Leader of the Opposition knows, in cases in which allegations of maltreatment or torture are made before the High Court, is that if the High Court considers them worth inquiring into, the matter is brought to the notice of the Local Government and they are requested to make an inquiry. And I think all police rules provide for inquiry in such cases. The High Court in this case made no such recommendation or suggestion and therefore it may be assumed that the High Court did not consider that the allegations were worth inquiring into by the Provincial Government.

Mr. Bhulabhai J. Desai: Is it suggested, if the judgment is carefully read, that the High Court said that the allegations were untrue? That is my question.

The Honourable Sir Francis Mudie: I have answered that question. The implication of the judgment is that the allegations were either not true or of not sufficient importance to justify their bringing them to the notice of the Provincial Government for investigation.

Mr. Bhulabhai J. Desai: Did or did not Government think it fit to make an inquiry when charges of torture were made by a person detained without trial?

The Honourable Sir Francis Mudie: That is the original question which I have answered.

Mr. Govind V. Deshmukh: Is he within the territorial jurisdiction of this High Court?

The Honourable Sir Francis Mudie: I have answered that question.

Sardar Sant Singh: Can the Honourable Member point out any law or rule ~~whereunder~~ which entitles the High Court to ask a Provincial Government to make inquiries into allegations of this kind?

The Honourable Sir Francis Mudie: It is a very common practice and has never been questioned.

Sardar Sant Singh: Can he quote any instance where this common practice has been given effect to? I understand the High Court leaves the parties to take any action they desire, or the Local Government, in the interest of their own good name, make inquiries into the allegations.

The Honourable Sir Francis Mudie: If the High Court adversely comments on the conduct of a police officer, regarding matters of this sort, the Provincial Government takes it up. If these sort of allegations are made before a High Court who make no comment on them or dismiss them, the usual practice is to assume that the High Court did inquire into them, as much as they thought necessary, and considered that no action was called for.

NEWSPAPERS FOR TROOPS IN INDIA AND ABROAD

97. ***Mr. Manu Subedar:** (a) Will the War Secretary please state what the newspapers are which are run by or subsidised by Government for being distributed to troops in India or abroad?

(b) Which papers are purchased by Government for distribution to troops and in what quantity? Who makes this selection?

(c) How much expenditure has been incurred and which are the parties to whom grants have been given?

(d) How many Government officials are engaged on this work and are there middlemen?

(e) How much paper has been used in the official year 1943-44 and in the current year up to the last complete month for which figures are available?

(f) Why have Government thought it necessary to have special newspapers for the army instead of making available to them the ordinary newspapers?

(g) Do Government consider that the newspapers published in India are not fit for circulation amongst the troops? If so, why?

Mr. C. M. Trivedi: (a) A list of newspapers and periodicals produced by Government for distribution to troops in India and abroad, is laid on the table. Government do not subsidise any papers.

(b) No papers other than the *Aj Kal* and *Gurkha Patrika* which are produced respectively by another Department of the Government of India and the Government of Nepal, are at present purchased for distribution to troops. Arrangements are, however being made for the weekly purchase of some Sunday newspapers from the United Kingdom for British troops. As a result of a recent special demand from Indian troops overseas, the Officer-in-Charge, Amenities, Comforts and Entertainments for the Services Depot, Bombay, is arranging for a weekly supply of various Indian newspapers in different languages.

The responsibility for the selection of papers rests with the Officer-in-Charge, Amenities, Comforts and Entertainments for the Services Depot, Bombay.

(c) An annual expenditure of about Rs. 15 lakhs is incurred in producing the papers enumerated in the list laid on the table. As regards the second part no grants are made for the production of papers for troops.

(d) The exact number of officials engaged on this work cannot be stated as the duties of most of the personnel include various other branches of work also. No middlemen are, however, employed.

(e) The total consumption of paper during the year 1943-44 was 850 tons, and the same amount is estimated as the consumption for the current year.

(f) and (g). Services personnel are at perfect liberty to purchase any newspaper they wish but the necessity for having special papers for them is due to the fact that ordinary newspapers do not cater for the requirements of troops, who for the most part want home news and information relating to Service instructions, amenities, pay and allowances, etc., which are not to be found in ordinary newspapers.

List of Newspapers and Periodicals

Publication	Issued	Language
1. <i>Contact</i>	Bi-weekly (Tuesdays and Fridays).	English.
2. <i>Weekly Commentary</i>	Weekly (Tuesdays)	English.
3. <i>Victory</i>	Weekly (Wednesdays)	English.
4. <i>Indian Army Review</i>	Monthly	English.
5. <i>Fauji Akhbar</i>	Weekly (Tuesdays)	English. Urdu. Roman Urdu. Hindi. Gurmukhi.
6. <i>Gurkha Samachar</i>	Weekly (Tuesdays)	Gurkhal.
7. <i>Samajne Ki Baten</i>	Weekly (Tuesdays)	Roman Urdu.
8. <i>Jang Ki Khabren</i>	Bi-weekly (Sundays and Thursdays).	English. Urdu. Hindi Marathi. Tamil. Telugu. Roman Urdu. Gurmukhi.

9. <i>Jang Ki Khabren</i>	Bi-weekly (Calcutta)	Urdu. Roman Urdu.
10. <i>Josh</i>	Weekly (Tuesdays)	English. Roman Urdu.

Command Publications

<i>Southern Army :</i>		
11. <i>Madras Calling</i>	Fortnightly	English. Telugu. Malayalam.
<i>North-Western Army :</i>		
12. <i>News from the North</i>	Fortnightly	English. Roman Urdu.

Overseas

<i>Middle East :</i>		
13. <i>Fauj's Akhbar</i>	Weekly	Roman Urdu.
14. <i>Gurkha Samachar</i>	Weekly	Gurkhali.
15. <i>Hindustan</i>	Weekly	Urdu.
16. <i>Indian News Review</i>	Weekly	English.
<i>Italy :</i>		
17. <i>Sandes</i>	Weekly	Roman Urdu.
<i>Paisforce :</i>		
18. <i>Watan</i>	Weekly	Roman Urdu.
19. <i>R.I.N. Log</i>	Monthly	English.
20. <i>I.A.F. Journal</i>	Monthly	English.
21. <i>R.A.F. Journal</i>	Monthly	English.
22. <i>W.A.C. (I) Journal</i>	Monthly	English.

Mr. Manu Subedar: May I know why Government have found it necessary to have the special papers instead of asking the current newspapers available in various languages to prepare special editions for the troops in India?

Mr. C. M. Trivedi: I have answered this question.

Mr. Manu Subedar: You have not answered this question with regard to special editions. You could have obtained them cheaper.

Mr. C. M. Trivedi: I do not think so.

Mr. Manu Subedar: May I know if the object is to keep from the troops the current affairs which are happening in the world and to dope them with special items which the Government desire them to know.

Mr. C. M. Trivedi: Not at all.

Prof. N. G. Ranga: Is it not a fact that the officers and other troops are carefully watched to prevent them from purchasing those papers which are not specially supplied to them by the authorities concerned, or which are not encouraged by the authorities?

Mr. C. M. Trivedi: There is no surveillance on the troops regarding purchase of papers.

Prof. N. G. Ranga: Will the Honourable Member assure this House that no officer, or any other member of the troops, is being victimized because he purchases certain nationalist papers?

Mr. C. M. Trivedi: I think I can give an assurance that no one is victimized because he purchases a particular paper.

Mr. Manu Subedar: How many journalists are engaged in order to produce the papers under question?

Mr. C. M. Trivedi: Sir, I want notice of this question.

Mr. K. C. Neogy: The Honourable Member referred to the requirements of the troops which in his opinion are not served by the other periodicals. Do I take it that mild pornography is included in these requirements?—the type of pictures and things that we see in the publication called 'Victory'?

Mr. C. M. Trivedi: No, Sir.

GOLD AND SILVER POLICY OF GOVERNMENT

98. ***Mr. Manu Subedar:** (a) Will the Honourable the Finance Member please make a statement on the policy of Government with regard to the (i) sale of gold by the Reserve Bank of India, and (ii) sale of silver, as to the objects, the volume and the method by which this is being done?

(b) How much gold has been sold by the Reserve Bank of India during each of the calendar months of 1942-43 and 1943-44 (up to the 31st December, 1944)?

(c) How much silver was sold by the Reserve Bank of India during 1942-43 and 1943-44 (up to the 31st December, 1944)?

(d) Has the Reserve Bank of India been asked to purchase any gold and/or silver in the market if prices go down, and to resell the same by tender method, which they have adopted? If not, why not?

(e) How much import of gold and silver has taken place during each of the years from 1939-40 to 1943-44 (up to the 31st December, 1944) on (i) account of Government of India or Reserve Bank, (ii) account of the Government of the United Kingdom or other foreign Governments, and (iii) private account?

(f) How much duty has been collected on the silver imported since the beginning of the war?

(g) Have any negotiations taken place with U. S. A. for the release of silver from U. S. A. under Lend-Lease or otherwise?

(h) If the answer to the above is in the affirmative, what is the outcome of such negotiations and how much has been received in India under this process?

(i) In view of the fact that cases have been discovered of the smuggling of silver and gold from India for Iraq and other Near East markets, what information have Government got with regard to the prices of these precious metals in other markets, and are not these prices higher than those prevailing in India?

The Honourable Sir Jeremy Raisman: (a) (i) I would refer the Honourable Member to paragraph 48 of my speech on the 1944-45 Budget.

(ii) I would invite the Honourable Member's attention to my reply to starred question No. 274 asked by Mr. K. S. Gupta on 13th November, 1944. The Reserve Bank invites tenders and makes sales with reference to the market conditions.

(b) to (e). It is not in the public interest to give this information.

(f) I would invite the Honourable Member's attention to the Monthly Statement of Indian Customs and Central Excise Revenue issued by the Department of Commercial Intelligence and Statistics, which is a priced publication.

(g) and (h). I would invite the Honourable Member's attention to *press communiques*, dated 15th June, 1944 and 11th July, 1944. I am not prepared to disclose how much silver has actually been received.

(i) Government have no exact information but understand that prices in the Mid East are higher than those in India.

Prof. N. G. Ranga: Will the Government be pleased to say whether they are making any efforts to examine what may happen to the holders of silver and gold in post-war times in the light of America's position of silver and gold?

The Honourable Sir Jeremy Raisman: Yes, Sir. The world position in regard to the precious metals is a matter of constant interest to the Government of India in so far as it is a holder of bullion.

Mr. Manu Subedar: May I know why Government are withholding figures from the public—of course I do not want to have any information which it is not in the public interest to disclose—but I want figures for 1941 onwards, i.e., for the first two or three years of the war. May I know whether Government considers that the disclosure of these two or three years' old figures would also do harm to public interest?

The Honourable Sir Jeremy Raisman: In matters of this kind, where a certain section of the public is interested in drawing speculative inferences, it is very difficult to say up to what point you can reveal figures and at what point you should stop. It has usually been the practice of the Government, at any rate in relation to silver, to give figures a year or so after the end of the year to which the figures relate. But I cannot say without detailed examination whether it would be safe to release the statistics which the Honourable Member refers to.

Mr. Manu Subedar: May I know whether any gold has been brought to this country under the Lease-Lend from the United States of America?

The Honourable Sir Jeremy Raisman: No, Sir. I do not think gold has been supplied under the Lend-Lease procedure.

Sir Muhammad Yamin Khan: May I know what are the reasons for the fluctuations in the price of silver? Sometimes the price goes up to Rs. 131, and then after fifteen days it comes down to Rs. 123; there is sometimes a fall up to rupees fifteen in one month and Government takes no action in this matter.

The Honourable Sir Jeremy Raisman: The factors which influence the fluctuation of the prices of bullion are very complex. One of the main ones, and one over which the Government of India has no control, is the progress of the war.

Prof. N. G. Ranga: In view of the fact that in pre-war days the Government of India was being embarrassed by its possession of large quantities of silver and its position also in the world monetary conditions, is it not considered very much against the interest of India to go on purchasing these increasing quantities of silver during this war?

The Honourable Sir Jeremy Raisman: The Government of India has only obtained silver for purposes, firstly, of coinage, and, secondly, of controlling the current economic situation.

NOTES AND COINS IN CIRCULATION

99. *Mr. Manu Subedar: (a) Will the Honourable the Finance Member please state by what stages the number of notes in circulation has increased in the years 1938-39, 1939-40, 1940-41, 1941-42, 1942-43 and 1943-44 (up to the 31st December, 1944) giving figures?

(b) When do Government expect to make a halt in this process of printing notes and what steps have they taken to reach that objective?

(c) How many one-rupee notes are in circulation?

(d) How many one-rupee notes have been withdrawn and destroyed, and is the process of withdrawal still continuing?

(e) Is it a fact that the one-rupee note circulation is not included in the Reserve Bank statement?

(f) Have Government received recently any complaints with regard to the shortage of small change from any part of the country?

(g) What is the capacity of the mint at Bombay and the mint at Lahore?

(h) On what work is the mint at Bombay engaged and on what work is the mint at Lahore engaged?

(i) At what rate per month are Government coining silver rupees and keeping them into circulation?

(j) What was the total amount of standard rupees withdrawn from circulation, and has all that metal been already used in the form of security edge rupees?

The Honourable Sir Jeremy Raisman: (a) A statement is laid on the table.

(b) I have dealt with this matter on several occasions in this House. The anti-inflationary measures taken by Government such as the savings drive, sales of bullion and increased imports reduce the necessity for currency expansion and have already retarded its rate.

(c), (d) and (i). As there is no distinction in law between one rupee notes and rupee coins I am not prepared to give information in this form.

(e) Yes.

(f) No.

(g) The average daily output of the Mints is Bombay 40 lakhs, Calcutta 31 lakhs and Lahore 11½ lakhs pieces.

(h) Both Bombay and Lahore Mints produce rupees, ½ rupees, ¼ rupees, 2 annas and single pice. The Bombay Mint produces in addition 1 anna coins. At Calcutta 1 anna and ½ anna coins only are minted.

(j) About 98 crores of standard rupees have been withdrawn from circulation since 1st September, 1939. The withdrawn coins are taken to Government's stock of silver from which silver is taken as and when required for coinage and other purposes.

Statement showing the increase in note circulation. The figures of note circulation in the last week of each year are as follows :—

Year	Amount	Increase
1938-39	178,36	..
1939-40	225,10	46,74
1940-41	240,55	15,45
1941-42	381,73	141,18
1942-43	643,58	261,85
1943-44	882,49	238,91
31-12-44	1009,60	127,11

Mr. Manu Subedar: May I know whether the Honourable Member can tell this House if the public have now taken back to the use of notes freely instead of having specific preference for coined silver?

The Honourable Sir Jeremy Raisman: I think that the use of notes at any rate among certain classes of the population is actually more popular than that of metallic coins, but there is a pretty fair demand for coinage and currency in both forms.

Mr. T. Chapman-Mortimer: With reference to part (b) of the question, are notes of the higher denomination still being printed, and, if so, have Government ever considered ceasing the printing of such notes.

The Honourable Sir Jeremy Raisman: I think the answer to the first part of the Honourable Member's question is in the affirmative, and as regards the second, it is hardly a matter which it would be wise to discuss.

Prof. N. G. Ranga: With reference to part (b), why is it that the Government did not call a halt to this process of printing notes instead of first of all printing them and sending them into circulation and then trying to withdraw as much of it as possible?

The Honourable Sir Jeremy Raisman: The Honourable Member will realize that Government has to meet certain obligations. On the first of the month they have to pay all their servants. They have to pay the Honourable Member's travelling allowance bills and matters of that kind. I think the Honourable Member would feel aggrieved if he were told that there were not enough notes at any moment at the Treasury to meet his legitimate demands. Those demands have to be met first. The process of dealing with redundant currency has to be dealt with subsequently.

(At this stage Mr. Manu Subedar rose in his seat.)

Mr. President (The Honourable Sir Abdur Rahim): Question time is now over. No more questions.

(b) WRITTEN ANSWERS.

PUBLICATION OF INDIAN EDITION OF "VERDICT ON INDIA"

100. ***Mr. K. S. Gupta:** (a) Will the Honourable Member for Information and Broadcasting please state if it is a fact that the Government of India have given permission to a leading firm of Bombay publishers to bring out an Indian edition of Beverley Nichols' recent book "Verdict on India"? If so, what is the name of the firm? What is the amount of paper sanctioned to enable the firm to publish 50,000 copies?

(b) Is it not a fact that it contains aspersions on Indian aspirations, nationalism and accredited national leaders?

(c) What are the credentials and antecedents of the life of Beverley Nichols?

(d) What is the subsidy, if any, paid, to the author for publishing the above-mentioned book by

(i) His Majesty's Government;

(ii) the Government of India?

(e) Are the Government of India aware of the widespread feeling of discontent and consequent criticism of the same? If so, what is the Government of India going to do to see that such a publication is immediately prohibited? If not, why not?

The Honourable Sir Sultan Ahmed: (a) No, Sir. Government have had nothing to do with the publication of this book. I understand it has been published by Thackers. I do not know how many copies have been printed or how much paper has been used.

(b) The Honourable Member is asking for an expression of opinion.

(c) Mr. Nichols is, I understand, the chief writer on the staff of the Allied Group of Newspapers in the United Kingdom. The details of his career can be found in 'Who's who'.

(d) None by either Government.

(e) Government have seen articles in the press dealing with the book. Government do not intend to take any action to prohibit the circulation of the book, which expresses Mr. Nichols' views and Mr. Nichols' views only.

REQUIRING INDIAN SOLDIERS IN BRITAIN TO CALL AT POLICE STATIONS FOR GETTING POLICE PASSES SIGNED

101. *Mr. K. S. Gupta: (a) Will the War Secretary please state if it is not a fact that the Indian Soldiers in Britain had to call at a police station to get police passes signed? If so, why had such a recourse to be adopted in the case of Indian soldiers only?

(b) Is this procedure kept in vogue due to any special reason or suspicion against an Indian because of his birth or colour?

(c) Is it not a fact that an Indian soldier stood side by side and sometimes went in advance to save Britain on many a battlefield in the various fronts of war in the world?

(d) In view of the above fact having been established beyond doubt, is it not a national insult to make an Indian soldier alone to call at a police station to get passes?

Mr. C. M. Trivedi: (a) and (b). The Honourable Member presumably refers to certain incidents in connection with No. 90 (Indian) Company of the Pioneer Corps. The personnel of the Company had not necessarily to call at police stations to have their passes signed but were instructed to have them stamped by the Railway Transport Officer and given the option of having them stamped by the police if the soldiers found it more convenient. The instruction applied to all personnel irrespective of their nationality, and was made necessary by the abuse by some of the personnel of the Army Council Instruction granting privilege leave.

(c) Yes, Sir.

(d) Does not arise in view of my reply to parts (a) and (b).

PENALTY ON MR. RAHMAN ALI AT THE COURT MARTIAL AT CHELSEA

102. *Mr. K. S. Gupta: (a) Will the War Secretary please state if it is a fact that some penalty was inflicted on Mr. Rahman Ali at the Court Martial at Chelsea on October 31, 1944? If so, what was the amount of penalty imposed?

(b) What was the nature of the offence?

(c) Did the Government of India make any protest with regard to the insulting treatment offered to an Indian soldier? If not, why not? If so, would it be placed on the table?

Mr. C. M. Trivedi: (a) Private Abdul Rahman Ali was sentenced for fifty-six days detention by a Field General Court Martial, held at Chelsea on the 1st November, 1944.

(b) He was found guilty of disobeying a lawful command given by his superior officer in that he, at Wimbledon on the 20th October, 1944, when ordered to work at a coal dump, did not do so.

(c) Does not arise in view of (b) above.

AIR CADETS TRAINING CENTRES

103. *Mr. K. S. Gupta: (a) Will the War Secretary please state the centres in India where Air Cadets are trained?

(b) What is the number trained at each centre?

(c) How many of them are (i) Indians, (ii) Chinese, (iii) British, (iv) Non-British, Europeans, and (v) South-Africans, in each centre?

(d) Who is to bear the cost for the training?

(e) Since how long has such training been imparted?

(f) What is the cost per head? Is there any difference in training and equipment between an Indian and a non-Indian?

Mr. C. M. Trivedi: (a) The Flying Training Centres for cadets in India at present are: (i) Poona; (ii) Begumpet; (iii) Jodhpur; (iv) Ambala; and (v) Walton (Lahore).

(b) and (c). It is not in the interests of security to divulge the information asked for by the Honourable Member. I may, however, add that with the exception of Walton which is reserved solely for the Chinese, no air cadets other than Indians and Anglo-Indians are trained in India.

(d) The Government of India bear the cost of training the I.A.F. air cadets. None of the cost of Chinese training at Walton is borne by the Government of India. A certain proportion is paid by His Majesty's Government.

(e) The training of I.A.F. air cadets in India commenced early in 1939.

The training of Chinese air cadets at Walton commenced on the 23rd March, 1943.

(f) The cost of training per head amounts to about Rs. 32,000, exclusive of the cost of administrative and instructional staff, repair and maintenance of aircraft and works services. At I.A.F. Flying Training Centres the system of training and the equipment used is the same for all cadets, whether Indian or Anglo-Indian. In the Chinese Training Centres at Walton, Chinese air cadets are instructed under the Chinese Air Force training system and use mostly American equipment.

DETENUS IN INDIA

104. *Mr. K. S. Gupta: (a) Will the Honourable the Home Member please state how many detenus there were in the various Provinces of India on the 1st January, 1945?

(b) Is it a fact that the number in Bengal is large due to the constant fear of Jap invasion of India? If not, why should not the detenus be freed or brought to trial, if there is evidence sufficient to try them in a Court of Law?

The Honourable Sir Francis Mudie: (a) I would refer the Honourable Member to the reply already given to part (a) of Mr. T. S. Avinashilingam Chettiar's question No. 89.

(b) The number of detenus in Bengal depends on the decisions taken by the Government of that Province. I have no knowledge of the reasons influencing these decisions in individual cases but I doubt whether they are in constant fear of invasion by the Japanese.

COLLECTION OF INCOME-TAX FROM EVACUEES AND REFUGEES

105. *Mr. Manu Subedar: (a) Will the Honourable the Finance Member please state whether any special measures have been taken in order to collect income-tax from evacuees and refugees who are known to be trading under different names in different commodities and about whom it is said that they have speculated in and hoarded many essential commodities such as drugs, surgical instruments, medicines, surgical glass, paper, etc.?

(b) Have there been any communications between the head of the Income-tax Department in Bombay and the Police for the disclosure of the whereabouts of evacuees and refugees through the special branch of the Police?

(c) Have Government got separate figures for income-tax payment by evacuees and refugees?

(d) If not, will they give instructions for these figures to be collected?

(e) Have Government the authority to ask bankers to disclose balances and in-comings and out-goings in the accounts of the evacuees and refugees or their nominees?

(f) Have Government got any idea of the amount of capital brought in by the evacuees and refugees in India and how is it engaged in this country?

(g) Have Government received any application for transfer of capital sums from refugees and evacuees, and what are the instructions given to the Exchange Control in regard to such transfer?

The Honourable Sir Jeremy Raisman: (a) No special measures apart from the regular surveys and local enquiries have been taken.

(b) In pursuance of a discussion which the Commissioner of Income-tax Bombay had with the Police authorities the latter have been supplying information regarding refugee traders.

(c) No.

(d) Government do not consider it necessary to have such information collected.

(e) The accounts of evacuees and refugees of non-enemy nationality, who are residents in India are regarded in the same manner as the accounts of any other residents in India and Government's authority to ask bankers to disclose balances and transactions on their accounts is no greater in their case than in that of any other persons.

(f) No.

(g) A few applications have been received from refugees and evacuees to transfer money from India to enable them to emigrate to the United States of America. Transfers of capital are not permitted but persons in this category are allowed to purchase sufficient foreign currency to buy their passages and in addition a small sum in dollars to meet their travelling expenses and maintenance on immediate arrival in the States.

HEALTH OF DR. RAJENDRA PRASAD AND OTHER DETAINED CONGRESS WORKING COMMITTEE MEMBERS.

106. *Mr. Satya Narayan Sinha: (a) Will the Honourable the Home Member be pleased to state the present condition of health of Dr. Rajendra Prasad, Member of the Congress Working Committee, at present confined in the Patna District Jail?

(b) Will the Honourable Member be pleased to state the general condition of the Members of the Congress Working Committee confined in Ahmednagar?

(c) Is it a fact that some of them have lost considerably in weight?

(d) Will the Honourable Member be pleased to state the number of Detenus or undertrials of Bihar who are lodged in jails outside the Province?

(e) Will the Honourable Member kindly consider the question of repatriating them to their Province to save lot of inconveniences and expenses which the members of their families have to bear for going to interview them and also on the ground that most of them are not keeping fit due to the unused climate of the place they are in at present?

The Honourable Sir Francis Mudie: (a) Dr. Rajendra Prasad is reported to be maintaining fairly good health considering the fact that he suffers from chronic asthma.

(b) All the Members of the Congress Working Committee are well except Pandit Govind Ballabh Pant who had a pain in the back, which is improving, and may have to be operated on for hernia. Pandit Jawaharlal Nehru had an attack of lumbago but has now recovered. Mr. Vallabhbhai Patel has for years suffered from a spastic colon, but the latest report was that he is well and on his normal diet.

(c) Since they were arrested, five Members of the Working Committee have lost and three have gained weight; the weight of the remainder has remained stationary. In the last year only one has lost weight. A statement giving details is laid on the table.

(d) and (e). This is a matter for the Provincial Governments concerned and about which the Government of India have no information.

Statement giving Details of Weights of Members of the Congress Working Committee

Name	Weight on admission	Weight on	Weight on	Weight on	Total gain or loss since admission
	9-8-1942	18-1-1944	10-10-1944	30-1-1945	
	lbs.	lbs.	lbs.	lbs.	lbs.
1. Maulana Kalam Azad	172	131	132	131	Loss 41
2. Pandit Govind Pant	217	198	202	202	Loss 15
3. Pandit Jawaharlal Nehru	142	126	128	128	Loss 14
4. Mr. Asaf Ali	115	106	108	106	Loss 9
5. Dr. Pottabhi Sitaramayya	154	154	152	148	Loss 6
6. Mr. Vallabhai Patel	140	140	143	140	No change.
7. Mr. Shankarrao Deo	123	119	124	123	No change.
8. Mr. Harkishen Mehtab	165	165	166	169	Gain 4
9. Mr. Kirpalani	104	106	107	109	Gain 5
10. Mr. Narandra Deo	100	101	102	108	Gain 8

MUNSTER REPORT *RE* COMFORTS AND SALARY OF BRITISH SOLDIERS

107. *Dr. Sir Zia Uddin Ahmad: (a) Will the Honourable the Defence Member be pleased to lay on the table of the House or in the Library a copy of the report of the Earl of Munster about the comforts and salary of British soldiers?

(b) What steps do the Government of India propose to take on this report?

(c) What would be the cost on Indian Revenues in carrying out the recommendations of the Earl of Munster?

(d) Was the question of the comforts and salary of the Indian soldiers included in the terms of reference of the Earl of Munster?

(e) If not, will the Government of India appoint a Committee to consider similar problems for Indian soldiers?

(f) Will the Government of India associate Members of the Central Legislature on this Committee?

Mr. C. M. Trivedi: (a) Copies of the report of the Earl of Munster have been placed in the Library of the House.

(b) Government propose to do everything possible within their resources to provide an adequate scale of amenities to all troops serving in India.

(c) It is not possible to forecast at this stage the amount that will be debited to the Indian Revenues. The expenditure will be shared between Indian and H.M.G. in accordance with the principles of the Financial settlement.

(d) The primary object of Lord Munster's visit was to investigate personally the provision made for the welfare of British Troops in India and the South East Asia Command. He was not concerned with the pay of British or Indian Troops. No formal terms of reference were given to Lord Munster but he has himself stated in para. 5 of his report the extent to which he was able to take account of the needs of the Indian Troops.

(e) and (f). The needs of Indian troops in India are constantly watched by the responsible authorities. The Defence Consultative Committee which consists of Members of the Legislature and which advises Government on this subject among others already exists and there is no need to appoint another Committee to fulfil this function.

INADEQUATE CONVEYANCE ALLOWANCE TO CENTRAL GOVERNMENT SERVANTS

108. *Seth Yusuf Abdoola Haroon: (a) Will the Honourable the Finance Member please state if it is a fact that rates of all sorts of conveyances have been trebled in Delhi over the pre-war rates?

(b) Is it a fact that men employed in Central Government offices located in old Secretariat and residing in Delhi city within or beyond three miles from their above offices have to incur Rs. 20 to Rs. 25 per month as conveyance charge for going to and coming from their offices?

(c) Is it a fact that the recent grant of conveyance allowance has not benefited about half the staff of the office of the Deputy Accountant General, Posts and Telegraphs, Delhi, who are living within three miles of their office and the majority of the remaining 50 per cent. get a relief of Rs. 5 per month against their actual expenditure of Rs. 20 to Rs. 25 per month?

(d) Do Government propose to reconsider the relief afforded and to grant conveyance allowance at the uniform rate of at least Rs. 15 to all employees of the offices located in the old Secretariat building and living in any part of the city irrespective of mileage limit? If not, why not?

The Honourable Sir Jeremy Raisman: (a) No.

(b) Government have no information.

(c) and (d). It has never been the policy of Government to bear the cost of their employees' journeys between their homes and place of duty, and the present temporary concessions for their non-gazetted servants who may have to reside more than 3 miles from their work were only granted in order to afford some relief in the abnormal conditions caused by the war. To give a uniform rate of allowance irrespective of the distance between the place of residence and office would obviously be unjustifiable and inequitable.

BLOCK ON PROMOTION OF NON-SUBORDINATE ACCOUNTS SERVICE CLERKS

109. ***Seth Yusuf Abdoola Haroon:** (a) Will the Honourable the Finance Member please refer to his reply to my starred question No. 267 (b) of the 13th November, 1944, in which it has been stated that promotions to the grade of Superintendents in Audit and Accounts Offices are made only from amongst men who have passed the Subordinate Accounts Service Examination?

(b) Is it a fact that for non-Subordinate Accounts Service clerks who reach the maximum of Rs. 200 of their scale, there is no further scope for future prospects?

(c) Do Government propose to create a few selection grade posts or a few posts of Assistant Superintendents in all Audit and Accounts Offices for senior, efficient and experienced clerks for routine nature of work which is now being done by the Subordinate Accounts Service passed men? If not, why not?

The Honourable Sir Jeremy Raisman: (a), (b) and (c). The maximum of the old rates of pay in some Audit Offices is in excess of Rs. 200 a month. Posts of Assistant Superintendents carrying special pay ranging from Rs. 15 to Rs. 25 a month already exist in some Audit Offices and efficient and experienced clerks are appointed to them. Such posts can however only be created when the volume of work justifies it.

FINANCIAL RELIEF TO OVERWORKED PERMANENT STAFF IN AUDIT AND ACCOUNTS OFFICES

110. ***Seth Yusuf Abdoola Haroon:** (a) Will the Honourable the Finance Member please refer to my starred question No. 267 (c) of the 13th November 1944, in which it has been admitted that the temporary staff in all Audit and Accounts Offices average a little less than a half?

(b) Is it a fact that in no Audit and Accounts Office the number of training reserve sanctioned is of more than 12 men in all and that, too, for about a year?

(c) Is it also a fact that a period of three months has been fixed to train a training reserve in one particular branch of an office? If so, will Government please state whether the training of forty-eight men in one year can afford any appreciable relief in work and labour to the permanent staff who are overburdened with work for the last five years?

(d) Do Government propose to afford some financial relief to the permanent staff who are overburdened with work? If not, why not?

The Honourable Sir Jeremy Raisman: (a) and (b). A training reserve of approximately 4 per cent. of the effective upper division strength of each office was sanctioned, in the case of the offices of the Comptroller, Sind and the Director of Audit, War and Supply, with effect from the middle of 1941,

and in the case of other offices from the middle of 1943. As already stated in my reply to the Honourable Member's starred question No. 267 (d) on the 13th November 1944, these training reserves will be continued for so long as circumstances require them.

(c) Intensive practical training in a selected branch of the office from four to six months has been prescribed. The reserves sanctioned are considered to be adequate for the purpose for which they were intended, namely, the replacement of experienced staff who may be required in offices directly connected with the war.

(d) War conditions have inevitably thrown an extra burden on experienced permanent staff. Government are unable, however, to accept the position that this should be recognised by a general increase in pay.

HOUSING OF THE OFFICE OF DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS, DELHI.

111. *Seth Yusuf Abdoola Haroon: (a) Will the Honourable the Finance Member please state if it is a fact that the office of the Deputy Accountant General, Posts and Telegraphs, Delhi, was transferred from Calcutta to Delhi in the year 1900?

(b) Is it a fact that from 1900 to 1926 this office has been located in several private rented buildings and continue to shift from place to place?

(c) Is it a fact that even now this office is located at three different places, each place about half a mile from each other, and one portion of this office is located in a private rented building in 10, Underhill Lane?

(d) Will Government please state why a permanent departmental building could not be constructed so long for this office, and do Government propose to construct one such building for this office in the near future? If not, why not?

The Honourable Sir Jeremy Raisman: (a) Yes.

(b) The office was located in private buildings during the period in question except for a short period of about six months at the time of the Delhi Durbar, when it was located in the Red Fort.

(c) Yes.

(d) The answer to the first part of the question is that Government did not think it necessary to incur expenditure on the construction of a permanent building so long as this office could be accommodated in existing Government buildings or private buildings. The answer to the second part is that the permanent location of this office will be considered after the end of the war, when it is probable that adequate Government office accommodation in Delhi may become available. Government consider that it is not possible to contemplate permanent construction in the near future both for the above reason and owing to prior demands on materials and labour during war time.

PROVISION OF QUARTERS FOR STAFF OF DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS, DELHI

112. *Seth Yusuf Abdoola Haroon: (a) Will the Honourable the Finance Member please refer to his reply to my starred question No. 82 of the 3rd November, 1944, in which it has been stated that Government are trying to meet the very difficult housing situation in Delhi as best as they can and have in hand a building programme for about 5,000 staff quarters?

(b) Is it a fact that more than 800 men in the office of the Deputy Accountant General, Posts and Telegraphs, Delhi, have applied for Government quarters since August, 1943, but all of them have been refused Government accommodation? If so, do Government propose to set apart the required number of quarters for the entire staff of this office out of 5,000 staff quarters which have been stated to be under construction? If not, why not?

The Honourable Sir Jeremy Raisman: (a) Yes.

(b) The answer to the first part of the question is in the negative. A statement showing the number of applications for Government quarters received from the staff of the office of the Deputy Accountant General, Posts

and Telegraphs and the number of quarters allotted to them since the Winter Season 1943-44 is laid on the table.

The second part of the question does not arise; but I may mention that the additional quarters will be allotted to Government servants including the staff of the Office of the Deputy Accountant General, Posts and Telegraphs in accordance with the prescribed rules on the subject.

Statement showing the number of men of the Deputy Accountant General, Posts and Telegraph's office, Delhi, who have applied for Government quarters and the number to whom quarters have been allotted.

Period	Number of applicants	Number to whom allotted
Winter 1943-44	50	40
Summer 1944	199	43
Winter 1944-45	551	45

CONFERENCE OF CHIEF SECRETARIES OF PROVINCES

113. *Mr. Badri Dutt Pande: (a) Will the Honourable the Home Member be pleased to state whether a Conference of Chief Secretaries of all the Indian Provinces was recently held at Dehra Dun? If so, with what object?

(b) Is it a fact that the question of reinforcement of the Civil Administration in the Provinces by transfer of Army Officers to it was also discussed in that conference?

(c) How many Army Officers have been transferred to the United Provinces and other Provinces so far?

The Honourable Sir Francis Mudie: (a) Yes. The conference was held with the object of discussing problems connected with post-war recruitment to vacancies in civil services reserved for candidates with 'war service'.

(b) No.

(c) Out of the 95 officers selected for re-inforcing the civil administration, 83 officers have so far been allotted to the various Provinces, of these the United Provinces have received two.

SOLDIERS SUPPLIED BY THE PUNJAB

114. *Dr. Sir Zia Uddin Ahmad: (a) Will the Honourable the Defence Member please state the number of soldiers supplied by the Punjab?

(b) What is the percentage and the contribution of the Punjab to military service?

(c) What arrangement have Government of India made for the employment of demobilized soldiers after the war?

(d) Is it not a fact that all the industries which the Government of India are now developing have been allotted in Provinces other than the Punjab?

(e) Why were the claims of the Punjab overlooked, in spite of their large contribution to fighting forces?

Mr. C. M. Trivedi: (a) and (b). The estimated proportion of the Punjab's contribution of recruits to the three Services since the outbreak of the war is approximately 25 per cent. It is not in the public interest to disclose the number.

(c) I would refer the Honourable Member to the reply given to starred question No. 169 on the 8th November 1944.

(d) No, Sir.

(e) Does not arise.

INCREASE IN ALLOWANCES OF PRE-WAR V. C.'s M. C.'s, ETC.

115. *Sardar Mangal Singh: Will the War Secretary please state whether the question of the increase in the allowances of the V.C.'s, M.C.'s and other decorations granted prior to this war has been finally considered? If so, what decision has been arrived at? Are these allowances equal to the allowances granted to the new recipients?

Mr. C. M. Trivedi: The matter is still under consideration and a decision is expected shortly.

POST-WAR INDUSTRIAL PANELS

116. *Mr. K. G. Neogy: (a) Will the Honourable Member for Planning and Development be pleased to state whether industrial panels have been decided to be set up in connection with the plan of post-war industrial development? If so, will the Honourable Member please make a comprehensive statement indicating (i) the different industries for which such panels will be set up, (ii) the principles determining the selection of members of such panels, and (iii) the procedure to be followed by the respective panels in discharging their functions, and particularly in securing the confidence and co-operation of those industrial concerns that may not be directly represented on the relevant panel?

(b) Will the Honourable Member be pleased to make a statement giving the names of the members of such panels as may have already been constituted and indicating their industrial and business affiliations?

The Honourable Sir Ardeshir Dalal: (a) Yes.

(i) A statement is laid on the table of the House.

(ii) Invitations are issued to persons prominently associated with the industry concerned and one or two experts and also to those who by their general knowledge of trade and industry are likely to be useful as members.

(iii) A general directive (copy of which is laid on the table) is issued to the panels to guide them in their deliberations. The panels are not meant to be representative of any particular industrial concern. They are expected to get into touch with all industries concerned as also with the Industries Committees of the Provinces and major States.

(b) All the panels have not yet been completely formed. I propose to lay on the table of the House, in the course of this Session, a list on the lines asked for by the Honourable Member.

List of Industrial Panels

(i) *Iron & Steel (Major)* including alloy steel, special steel, tools steel, re-rolled products, fabricated and structural steel, forgings, castings, tubes, tin plate, wire, nails and screws, nuts and bolts.

(ii) *Iron & Steel (Minor)* including surgical instruments, cutlery, small ware such as needles, pins, buttons, etc., hollow ware and hardware.

(iii) *Prime Movers* including steam, crude oil, diesel, petrol and alcohol engines but excluding locomotives, boilers, turbines and generators.

(iv) *Automobiles and Tractors.*

(v) *Ship-Building and Marine Engineering.*

(vi) *Electrical Machinery and Equipment.*

(vii) *Industrial Plant & Machinery (Heavy)* for the manufacture of Textile, Sugar, Paper, Mining, Cement, Chemical and other machinery.

(viii) *Machine Tools.*

(ix) *Light Engineering Industries* including typewriters, accounting machines, calculators, sewing machines, air-conditioning plant, frigidaires, bicycles, hosiery machines, etc.

(x) *Heavy Chemical Industries* to deal with major alkalies and the acids.

(xi) *Light Chemical Industries* including drugs, pharmaceuticals, photographic materials and synthetic products.

(xii) *Paper, Pulp, Wood Pulp, chemical cotton, paste boards, straw boards, etc.*

(xiii) *Plastics and Celluloid.*

(xiv) *Rayon and Artificial Silk.*

(xv) *Sugar, Alcohol and Food Yeast.*

(xvi) *Glass.*

(xvii) *Ceramics and Refractories.*

(xviii) *Soaps and Oils.*

(xix) *Paints and Varnishes.*

(xx) *Electro-Chemical Industries* including calcium carbide and ferro-alloys.

(xxi) *Wool.*

(xxii) *Silk.*

(xxiii) *Coir, rope and cordage.*

(xxiv) *Hosiery.*

(xxv) *Ready made clothing.*

(xxvi) *Non-Ferrous Metal Industries.*

(xxvii) *Leather and Leather Goods.*

(xxviii) *Cinema Industry.*

(xxix) *Scientific Instruments.*

DEPARTMENT OF PLANNING AND DEVELOPMENT.

General Directive to Industrial Panels.

It is the function of panels to make recommendations to Government regarding the development of industries, both existing and new. These recommendations should be so framed as to enable Government to prepare a detailed phased plan for the five years following the cessation of hostilities, as the first stage of a 15-year plan of industrial development for the whole country.

2. In order to assist them to formulate recommendations, panels will be supplied, as far as possible, with factual information prepared by the panel secretaries. In the case of new industries, the information will consist of a general survey of the industry and the importance of starting it in India, the availability of raw material, the power requirements, the demands of the Indian markets and the probabilities of exports. In the case of existing industries, the information will naturally be more comprehensive; it will indicate, in addition, the location of existing units, the types of goods produced, the total production under each category and the assistance, if any, given by Government. Those items are to be regarded as illustrative and not exhaustive.

Government will give each panel, as a basis, for discussion, the provisional target to be aimed at in the first five-year period and, wherever possible, of the target to be reached in 15 years.

3. The recommendations of the panels should cover the following points :—

- (1) The scope and extent of development, including the type of products recommended.
- (2) Whether the industry should be under Government ownership either on grounds of national interest or because private capital is unlikely to take it up, and if so whether it should be wholly or partly managed by Government.
- (3) In the case of industries to be developed other than under State ownership, the capital required for such development, whether the whole of it is likely to be available by public investment and, if not, the extent to which Government assistance may be required.
- (4) The extent to which technical advice from abroad may be necessary.
- (5) The manner and the degree of co-operation with foreign firms considered necessary and desirable, both as regards capital and management.
- (6) The location of the industry.
- (7) The nature of the assistance required from Government in the form of protective duties, bounties, research grant, expert advice, etc.
- (8) If the industry is to be under private ownership and management, what controls, if any, should be exercised by Government.
- (9) What should be the organisation of the different units of the industry, *e.g.*, should there be an industrial association? Would a cartel be desirable?
- (10) The stages by which the industry should be developed.
- (11) Should the industry cater for the export market?
- (12) Should the industry be developed, as in Japan, on the cottage industry basis and, if so, to what extent?

4. Although, as stated above, the panels may recommend the grant of protection, it will not be their function to consider broad questions of international trade and commercial policy.

5. Joint meetings of the panels should be held, wherever necessary, to secure co-ordination, particularly where the processes and the products of one industry are connected with those of another.

6. Some of the panels have been drawn broadly and it may be necessary to co-opt members for dealing with specific branches of the industry. Members may be co-opted by the Chairman in consultation with the Industrial Adviser.

7. Before submitting recommendations. Panels should consult Provincial Industrial Committees, particularly in the matter of location of industry. They should also, where the circumstances of the case require it, consult Industrial Committees in States or State Governments/Durbars. The recommendations should be submitted to Government through the Industrial Adviser."

DETERIORATED HEALTH OF DETAINED CONGRESS WORKING COMMITTEE MEMBERS

117. *Mr. Badri Dutt Pande: Will the Honourable the Home Member be pleased to state:

(a) if he or the Government have seen the statement of Dr. P. C. Ghosh, a Member of the Congress Working Committee, recently released from the Ahmadnagar Fort, appearing at page 1 of the *Hindustan Times* of New Delhi, dated January 18, 1945, to the effect that almost all the incarcerated leaders lodged in the Ahmadnagar Fort are suffering from one ailment or other;

(b) what action have Government taken or intend to take so that these leaders do not suffer in health and maintain normal health; and

(c) in view of the release of three Members of the Congress Working Committee on medical grounds, if Government have considered the urgency of releasing these ailing leaders so that they may undertake medical treatment of their choice outside the prison walls?

The Honourable Sir Francis Mudie: (a) Yes.

(b) and (c). Only two Members of the Congress Working Committee, Mrs. Sarojini Naidu and Dr. P. C. Ghosh, have been released on medical grounds. If similar grounds exist in other cases, similar action will be taken. In the meantime Government are satisfied with the arrangements made for the medical care of these detenus.

NON-DELIVERY OF COPY OF "INDIA UN-RECONCILED" TO DR. PATTABHI SITARAMAYYA

118. *Mr. Badri Dutt Pande: Will the Honourable the Home Member be pleased to state if a copy of "India Unreconciled", a book published by the *Hindustan Times* Press intended for Dr. Pattabhi Sitaramayya, Member of the Congress Working Committee under detention in Ahmadnagar Fort was not delivered to him? If so, what are the reasons for the non-delivery?

The Honourable Sir Francis Mudie: Yes by the Government of Bombay to whom discretion has been given in this matter. They considered that it gave a distorted account of the situation based on rumours and uncorroborated reports.

CONGRESS BUILDINGS SEIZED BY GOVERNMENT

119. *Mr. Kailash Bihari Lall: Will the Honourable the Home Member be pleased to state provincewise:

(a) how many building properties have been seized by the Government as a result of congress being declared as illegal organisation;

(b) if any of such buildings have been returned to the legal owner in the Provinces; if so, how many, and in which of Provinces they have been returned;

(c) if it is a fact that it is more than two years that some of these buildings have been seized and if Government have found the necessity of spending for keeping them in good repair; and

(d) whether Government make any use of these buildings; if not, whether Government propose to return these buildings to the owners, with the safeguard that the building is not utilised for any such purpose the nature of which may be conflicting with the war effort? .

The Honourable Sir Francis Mudie: (a) to (d). So far as Governors' Provinces are concerned the Government of India have no information. So far as Chief Commissioners' Provinces are concerned the information is being collected and a reply will be laid on the table in due course.

CONNECTION OF INFORMATION AND BROADCASTING DEPARTMENT WITH MAGAZINE ENTITLED *DUNIYA*,

120. *Mr. T. T. Krishnamachari: Will the Honourable Member for Information and Broadcasting please state:

(a) whether there exists a "Publication Division" of the External Publicity Branch of the Information and Broadcasting Department;

(b) what relationship does the Information and Broadcasting Department have with the United Publications, Post Box No. 166, Delhi;

(c) the connection between the Information and Broadcasting Department and the magazine entitled *Duniya* which, amongst other editions, is reported to be issuing an English-Roman-Urdu edition;

(d) if the *Duniya* is published by a private organisation but subsidised by the Information and Broadcasting Department who publishes this Magazine;

(e) in how many languages *Duniya* is published and in what countries this magazine is being distributed; and

(f) the circulation of this magazine in each of the various editions in which it is published?

The Honourable Sir Sultan Ahmed: (a) Yes.

(b) "United publications" is the generic name under which publications produced by the Publications Division are issued.

(c) *Dunya* is published by the Publications Division, which is an attached office of the Information and Broadcasting Department.

(d) Does not arise.

(e) and (f). A statement is laid on the table, together with a specimen copy† of *Dunya* (English-Roman Urdu edition).

Distribution of Dunya

Edition and Print Order	Area	Circulation Number of copies
1. English-Roman Urdu—1,11,250	1. Director, Public Relations for Indian Army.	99,750
	2. Sales in India	11,500
	Total	1,11,250
2. English-Persian—8,300	1. Persia	7,990
	2. Sales in India	286
	3. Afghanistan	24
	Total	8,300
3. Urdu-Pushtu—2,500	1. Afghanistan	20
	2. Sales in India	2,480
	Total	2,500
4. English-Russian—2,000	1. Russia	500
	2. Persia	1,000
	3. Palestine	50
	4. Russian Embassy Chungking	10
	5. Turkey	6
	6. Russian Ambassador, Kabul	50
	7. H. M. Legation, Kabul	3
	8. Russian Ambassador, London	12
	9. Russian Ambassador, Washington	12
	10. Sales in India	357
Total	2,000	

PROPAGANDA ABOUT INDIA CARRIED ON IN AMERICA BY BRITISH AND INDIAN GOVERNMENTS

121. *Mr. F. T. Krishnamachari: Will the Honourable Member for Information and Broadcasting please state:

(a) whether his attention was drawn to the statements made by Mr. G. L. Mehta, Member of the Indian Businessmen's Delegation to the United States of America about the tendentious propaganda now being carried on in America about India by the British and Indian Governments;

(b) the type of propaganda and what expense is incurred thereon by the Indian Government;

(c) whether the Government of India are aware of the nature and extent of the propaganda done by the British Government in regard to India in the United States of America; and

(d) whether the Government of India instruct their Agent-General to keep in touch with the propaganda done by the British Government so as to satisfy himself that the propaganda is not tendentious?

The Honourable Sir Sultan Ahmed: (a) Yes.

(b) Our publicity organisation in America is concerned with publicising India and India's war effort on the basis of material sent from India. The cost of the organisation in 1944-45 was \$ 1,34,700 or Rs. 4,51,245 approximately.

(c) Yes.

(d) The Government of India do not consider special instructions necessary.

† Not printed in these Debates, but a copy has been placed in the Library of the House—*Id. of D.*

PUCKLE-JOYCE REPORT ON AMERICAN OPINION ON INDIAN QUESTIONS

122. *Mr. T. T. Krishnamachari: (a) Will the Honourable Member for Information and Broadcasting please state whether the Government of India have been informed about the Puckle-Joyce Report on the state of opinion in America on Indian questions?

(b) Has the Report made any suggestions with regard to co-ordinating the activities of the British Ministry of Information and those of the Government of India in the United States of America?

(c) Have the Government of India anything to do with the publication of a magazine entitled *India Tomorrow* in the United States of America?

(d) If the answer to the above is in the affirmative, has it anything to do with the Puckle-Joyce Report?

The Honourable Sir Sultan Ahmed: (a) Yes.

(b) Yes.

(c) The Government of India have not published any magazine entitled *India Tomorrow* in the United States of America.

(d) Does not arise.

CERTAIN STATEMENTS IN NAGPUR SPEECH OF HONOURABLE MEMBER FOR PLANNING AND DEVELOPMENT

123. *Mr. K. C. Neogy: (a) Will the Honourable Member for Planning and Development be pleased to state whether his attention has been drawn to Press reports of a speech made by him at Nagpur on the 7th January last in reply to an address from the Central Provinces and Berar Chamber of Commerce?

(b) Will the Honourable Member please refer to the following statements that he is reported to have made on that occasion:—

(i) that he was in a position to give an unrestricted and unqualified assurance that Indian industries would get adequate protection against foreign competition and foreign dumping; and

(ii) that as regards the question of Excess Profits Tax, the necessity for distinguishing between profits which are put back in business and those which are distributed as dividends in taxation had been brought to the notice of the Finance Member?

(c) As regards (i) in part (b) of the question, was the assurance given on behalf of the Government of India and does it represent a definite policy? If so, what steps are being taken at present for the purpose of studying the condition of the existing industries in the country so as to give them the protection referred to above? Has the present policy of encouraging the importation of consumer goods from abroad been receiving continuous attention of the Honourable Member or his Department for the purpose of ascertaining whether such policy is being worked to the detriment of any individual Indian industry?

(d) As regards (ii) in part (b) of the question, does it represent a suggestion which the Honourable Member's Department has put forward to the Finance Member? Have various criticisms, made on behalf of trade and industry, of the provisions of the law relating to Excess Profits Tax as well as its administration, been brought under examination in the Honourable Member's Department? If so, with what result?

The Honourable Sir Ardeshir Dalal: (a) and (b). I have seen the Press report issued by the A. P. I., which contains the following passage regarding protection:

"An assurance that India would be protected against foreign dumping and that the Government of India were actively considering the question of liberalising protection to India's industry was given by Sir Ardeshir Dalal replying to an address by Mr. Mehta, President of the C. P. & Berar Chamber of Commerce."

This is an accurate version of what I stated. As regards Excess Profits Tax, the statement made by me has been correctly reproduced in the question.

(c) Although no formal announcement has been made by Government, I have no doubt that the policy of protection against dumping does represent the views of the Government of India.

As regards importation of consumer goods, it is primarily the responsibility of my Honourable colleague, the Member for Commerce, Industries and Civil Supplies; but the repercussions of that policy on post-war development are being considered by my Department.

(d) The criticisms on behalf of trade and industry of the provisions of the law relating to taxation and its administration are being examined by my Department, and it is as a consequence of such examination that the suggestion referred to was made to the Honourable the Finance Member.

COMPANIES FORMED IN BRITAIN FOR POST-WAR FINANCING OF INDUSTRIES

124. *Mr. K. C. Neogy: (a) Will the Honourable Member for Planning and Development be pleased to state whether his attention has been drawn to a Press report from London stating that the Chancellor of the Exchequer informed the House of Commons on the 23rd January last that on the initiative of Banking, Insurance and Investment sections of the business communities, two companies have been formed which, in Government's opinion, will constitute an important step in post-war finances for industry and help in an important degree the Government policy for employment?

(b) Will the Honourable Member be pleased to make a statement giving such details as may be available of the constitution and functions of the two Companies referred to above, and the part that His Majesty's Government may play, either directly or indirectly, in encouraging the formation of the two Companies or determining their lines of action?

(c) Are the Central Government prepared to encourage the establishment of similar Companies for similar purposes in India?

(d) Will the Central Government keep a watchful eye on the activities of the two companies formed in the United Kingdom, so as to find out whether any undue advantage would be gained by British industries benefited by their activities enabling them to compete unfairly with any Indian industry?

The Honourable Sir Ardeshir Dalal: (a) Yes.

(b) I have no details beyond those contained in the Press reports.

(c) A suggestion to this effect is already under examination by Government.

(d) There is no reason to suppose that the operations of these Companies will be prejudicial to Indian industry.

SELECTION OF MILITARY OFFICERS FOR TEMPORARY RE-INFORCEMENT OF CIVIL ADMINISTRATION

125. *Maulana Zafar Ali Khan: Will the Honourable the Home Member please state with regard to the selection of military officers for temporary posts under the civil administration for the short-term civil reinforcement scheme now in operation:

(a) the total number of officers who were members of the Selection Board, which tested the candidates at Dehra Dun, and how many of them were military officers;

(b) how many candidates have appeared before the Selection Board; how many have been selected by the Board for employment under the civil administration and how many of these selected candidates are Indian and how many European;

(c) how many of these candidates were declared unfit for civil posts by the Psychiatrist and how many of these were Indian;

(d) whether any of these candidates were injured during some of the tests, and if so, what the details of the injuries and the nature of the tests were; and

(e) the reasons for holding military physical tests for filling temporary posts under the civil administration?

The Honourable Sir Francis Mudie: (a) The Selection Board consisted of seven members of whom five were temporary military officers.

(b) 426 candidates appeared before the Selection Board and 95 were selected for employment under the civil administration. 31 of them were Indians and 64 Europeans.

(c) No candidate is declared unfit by the psychiatrist but the latter gives his opinion as a member of the Board as to the suitability or otherwise of a candidate when called on to do so.

(d) Three candidates sustained simple fracture of the arm during the selective obstacle test.

(e) The tests were in no sense military physical tests.

UNSTARRED QUESTION AND ANSWER

CENTRAL AND PROVINCIAL INDEBTEDNESS

5. Mr. Manu Subedar: (a) Will the Honourable the Finance Member please state the figures of (i) deposits in the Postal Savings Bank, (ii) Post Office Cash Certificates, and (iii) National Savings Certificates at the close of the years 1939-40, 1940-41, 1941-42, 1942-43, 1943-44 and 1944-45 (up to the 31st December, 1944)?

(b) When were changes in the rate of interest given on these three classes made, and what were the changes?

(c) What is the total amount of Treasury Bills outstanding at the close of the years 1939-40, 1940-41, 1941-42, 1942-43, 1943-44 and 1944-45 (up to the 31st December, 1944)?

(d) What has been the subscription in new issues of Government loans in the years 1942-43, 1943-44 and 1944-45 (up to the 31st December, 1944), and how much has been issued corresponding to each of the sterling loans in rupee equivalents of sterling loans recalled?

(e) What is the total outstanding public debt in respect of the Savings Bank, Postal Certificates, National Savings Certificates and rupee loans of all kinds and how does it compare with what was outstanding at the end of 1938-39?

(f) How much has been added to the Provincial indebtedness from the end of 1938-39 to the 31st of December, 1944?

The Honourable Sir Jeremy Raisman: (a), (c), (d) and (e). I would invite the attention of the Honourable Member to paragraphs 48 and 51 and statements XII and XVI to XVIII of the Reserve Bank's Report on Currency and Finance for 1943-44 (copies of which are available in the Library of the House). As regards the figures for the current year I would ask the Honourable Member to wait for the Budget papers which will be presented to the House on the 26th February. The outstandings of Treasury Bills are published in financial journals from time to time. The figures is Rs. 104-81 crores.

(b) Reference is invited to paragraph 44 of my last Budget speech. There has been no other change in respect of the three categories referred to.

(f) Attention is drawn to statement XIX of the Reserve Bank's Report on Currency and Finance for 1943-44. Information up to the 31st December 1944 in the current year is not available.

SHORT NOTICE QUESTION AND ANSWER.

WHEREABOUTS OF MESSRS. JAYA PRAKASH NARAYAN AND MANOHAR LOHIA

I. Mr. Satya Narayan Sinha: (a) Has the attention of the Honourable the Home Member been drawn to the Press report (*Hindustan Times*) that Messrs. Jaya Prakash Narayan and Manohar Lohia have been transferred from the Punjab to some other Province?

(b) If the answer be in the affirmative, will the Honourable Member be pleased to give information to this House as to the present whereabouts of Messrs. Jaya Prakash and Manohar Lohia?

(c) Will the Honourable Member be pleased to state if they are being repatriated to their own Provinces?

The Honourable Sir Francis Mudie: (a), (b) and (c): Messrs. Jaya Prakash Narayan and Manohar Lohia were transferred to Agra for administrative reasons. There is no intention at present of returning them to their provinces.

Prof. N. G. Ranga: Are they kept together?

The Honourable Sir Francis Mudie: I have no information.

Prof. N. G. Ranga: Would Government consider the advisability of allowing these two gentlemen to be kept together so that they can at least have some company of each other, even if they are not allowed to mix with other political prisoners?

The Honourable Sir Francis Mudie: I understand that they were allowed to meet in jail in the Punjab. I see no reason why they should not meet in Agra. I have no objection.

Mr. Abdul Qaiyum: May I know if these prisoners are kept in the fort or in an ordinary prison?

The Honourable Sir Francis Mudie: An ordinary prison.

Mr. Govind V. Deshmukh: Is there any change in Agra in the amenities they were having in the Punjab?

The Honourable Sir Francis Mudie: There may be a change. In the first case they were under the Punjab rules; now they are under the United Provinces rules. Whether the change is for the better or worse I cannot tell.

Mr. Govind V. Deshmukh: As the Honourable Member comes from the United Provinces, he should be in a position to enlighten the House as to what the amenities are in that Province.

The Honourable Sir Francis Mudie: I was not in charge of jails.

Prof. N. G. Ranga: Has there been any

Mr. President (The Honourable Sir Abdur Rahim): Order order. There has been enough discussion.

MOTIONS FOR ADJOURNMENT.

ACCIDENT TO PUNJAB MAIL NEAR ARRAH.

Mr. President (The Honourable Sir Abdur Rahim): There is an adjournment motion in the name of Mr. Lalchand Navalrai to discuss the 12 Noon Bihar Railway disaster by the derailment of the down Punjab Mail near Arrah, on the main line, on the East Indian Railways, on November 23, 1944, causing loss of life and property.

Because there has been an accident that is no reason why a meeting of this House should be adjourned. There is no allegation that there was any negligence on the part of the railway authorities.

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): I should have been heard as to whether there was any allegation or not.

Mr. President (The Honourable Sir Abdur Rahim): It is not alleged in the notice. The motion is disallowed.

OUTRAGE WITHIN PREMISES OF HAMAYUN RAILWAY STATION

Mr. President (The Honourable Sir Abdur Rahim): The next adjournment motion is also in the name of Mr. Lalchand Navalrai. He wishes to discuss the dastardly and ghastly murder of the Station Master in an outrage within the premises of the Railway at Hamayun Station on the Sind Section of the North Western Railway on 9th December, 1944 and causing serious injuries to the other railway staff and looting railway property.

Surely this is a matter of law and order which is within the jurisdiction of the Provincial Government and not under this Government?

Mr. Lalchand Navalrai: I would submit this is a railway question.

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

Mr. Lalchand Navalrai: Within the premises of the railway?

Mr. President (The Honourable Sir Abdur Rahim): That makes no difference. If the murder has been committed in the railway station it is still a question of law and order with which the Provincial Government can deal.

Mr. Lalchand Navalrai: The railway authorities are on duty and they have no responsibility at all?

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

IMMEDIATE NEED OF NUTRITION RESEARCH IN INDIA

Mr. President (The Honourable Sir Abdur Rahim): Mr. Govind V. Deshmukh wishes to adjourn the business of the House to discuss the immediate need for a speedy systematic and extensive development of nutrition research in India.

That is a matter that cannot be said to be urgent.

Mr. Govind V. Deshmukh (Nagpur Division: Non-Muhammadan): Thousands of people are dying all over because there is no proper analysis of the food that is supplied.

Mr. President (The Honourable Sir Abdur Rahim): But the Honourable Member can raise the question by an appropriate motion.

Mr. Govind V. Deshmukh: And the report is very insistent that the matter should be immediately taken up.

Mr. President (The Honourable Sir Abdur Rahim): This is not a matter for an adjournment motion. It has been going on unfortunately for several years.

Mr. Govind V. Deshmukh: Not several years

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

APPOINTMENT OF AN ARMY REORGANISATION COMMITTEE

Mr. President (The Honourable Sir Abdur Rahim): The next adjournment motion is in the name of Sardar Mangal Singh who wishes to discuss the appointment of an Army Reorganisation Committee to make detailed recommendations regarding the size, composition, and organisation of the future Army in India.

Well, what is the objection? Is the objection that the Committee should have been appointed?

Sardar Mangal Singh (East Punjab Sikh): The unsatisfactory composition of the Committee.

Mr. President (The Honourable Sir Abdur Rahim): Well, the Honourable Member does not say so.

Sardar Mangal Singh: That will come in the discussion.

Mr. President (The Honourable Sir Abdur Rahim): There is absolutely no such allegation.

Sardar Mangal Singh: Pardon, Sir.

Mr. President (The Honourable Sir Abdur Rahim): Is it the case of the Honourable Member that no such reorganisation committee should have been appointed?

Sardar Mangal Singh: My objection is not in this manner and at this time.

Mr. President (The Honourable Sir Abdur Rahim): What?

Sardar Mangal Singh: My objection is that the Committee should not have been appointed at this time and with this personnel.

Mr. President (The Honourable Sir Abdur Rahim): As regards the personnel the question is not raised. The Honourable Member has to mention why he wants to censure Government. What is the objection to the action taken by the Government? He has not mentioned that in the notice at all. The motion is disallowed.

BOMBING OF PATHAN VILLAGES IN NORTH WAZIRISTAN

Mr. President (The Honourable Sir Abdur Rahim): The next adjournment motion is in the name of Mr. Abdul Qaiyum who wishes to discuss the intermittent bombing of Pathan villages in North Waziristan for five months by the Air Force, which villages contained the aged, the infirm, women, children, cattle

and Muslim places of worship—(all these people being non-combatant civilians), as revealed for the first time in an interview to a press correspondent by the Political Agent, North Waziristan, and published in the *Civil and Military Gazette*, Lahore, dated 5th January, 1945.

This motion is disallowed because the Governor General is not prepared to grant his consent.

Mr. Abdul Qaiyum (North-West Frontier Province: General): I wish to say one thing, though it has been disallowed. In 1935 a similar motion was allowed to be debated and the Government was censured, and in 1945 our liberties and our privileges are being further curtailed in spite of repeated promises of independence.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can point that out at the proper time.

BANNING OF CERTAIN PUBLIC MEETINGS, ETC., IN KARACHI AND OTHER TOWNS IN SIND.

Mr. President (The Honourable Sir Abdur Rahim): There is another adjournment motion in the name of Sardar Mangal Singh who wishes to discuss the order issued by the Government of Sind under rule 56 of the Defence of India Rules banning public meetings, processions, and other demonstrations on January 26th, 1945, in Municipal and Cantonment limits of Karachi and Hyderabad and the municipal limits of other district towns in Sind.

Surely, this is not the responsibility of the Government of India? The Province of Sind has its own Legislature. It cannot be discussed here. The motion is disallowed.

SIMLA DEPUTY COMMISSIONER'S ORDER TO MESSRS. KEVENTERS RE SALE OF EGGS

Mr. President (The Honourable Sir Abdur Rahim): The next adjournment motion is also by Sardar Mangal Singh and it relates to the order issued by the Deputy Commissioner, Simla, to Messrs. Keventers under the Defence of India Rules directing them to sell eggs to all Europeans and only to such Indians as are already registered with them as old customers.

Surely this is a matter for the Punjab Government.

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): May I mention, Sir, that Simla is also the headquarters of the Government of India?

Mr. President (The Honourable Sir Abdur Rahim): But the administration rests with the Punjab Government. The motion is not in order and is therefore disallowed.

Sir Muhammad Yamin Khan: Is racial discrimination a provincial subject? Here is a question of racial discrimination.

Mr. President (The Honourable Sir Abdur Rahim): Is racial discrimination an all-India subject?

Sir Muhammad Yamin Khan: Yes, because the Government of India have framed the rules. The question is as between Indians and Europeans and as such the Punjab Government is not the proper authority to deal with it.

Mr. President (The Honourable Sir Abdur Rahim): The Punjab Government is the proper authority to deal with this matter and not the Government of India. The Punjab Government has got also a legislature to which the Ministry is responsible and there is no reason why this question should not be canvassed in the Punjab Legislature.

MISUSE OF CONGRESS FLAGS IN DELHI COURTS.

Mr. President (The Honourable Sir Abdur Rahim): The next one is by Mr. Abdul Qaiyum to discuss a definite matter of urgent public importance of recent occurrence, *viz.*, the failure of the Government of India to prevent the gross misuse of Congress flags as dusters by some of the Courts in Delhi.

Mr. Abdul Qaiyum: Sir, I am not moving it.

REDUCING SUPPLY OF PAPER FOR PRINTING OF HINDU CALENDAR IN BENGALI

Mr. President (The Honourable Sir Abdur Rahim): **Mr. Ananga Mohan Dam** has given notice of the following adjournment motion, namely, the action of the Government in reducing the supply of paper for the printing of the Hindu Calendar in Bengali and thereby interfering with the religious practices of the Hindus.

(The Honourable Member was not present.)

RECENT RACIAL AND RELIGIOUS DISTINCTION SET UP BY LABOUR DEPARTMENT ABOUT ALLOTMENT OF QUARTERS.

Mr. President (The Honourable Sir Abdur Rahim): The next notice of an adjournment motion is from Sir Syed Raza Ali to censure the Government of India for the racial and religious distinction recently set up by the Labour Department in the allotment of houses in favour of Europeans, Anglo-Indians and Indian Christians by issuing Memorandum No. WII-4/114, dated 25th January, 1945.

I should like to know from the Member in charge what exactly the position is.

The Honourable Dr. B. R. Ambedkar (Labour Member): Sir, I have looked into the Memorandum and I am told that instead of the word "Indian" the word "Indian Christians" crept in through inadvertence. It will be corrected so that there will be no discrimination involved at all.

Sir Syed Raza Ali (Cities of the United Provinces: Muhammadan Urban): I think the best thing would be for the Honourable Member to make a statement in this House and have the whole thing placed on record.

The Honourable Dr. B. R. Ambedkar: I have corrected the Office Memorandum and it will be issued in the altered form.

Sir Syed Raza Ali: But the House would like to know something as to what is being talked about. What is the meaning of the Memorandum as it stands and what is the correction that my Honourable friend has made and what will be the effect of the correction?

The Honourable Dr. B. R. Ambedkar: The Memorandum that was originally issued read as follows:

"This Department has had under consideration the question of the abolition of the distinction between 'Orthodox' and 'Unorthodox' types of quarters available in Delhi, New Delhi and Simla for allotment to officers drawing less than Rs. 600 per mensem. After considering the views of the Departments, it has been decided that the distinction should be abolished with effect from the next summer season.

In respect of Europeans, Anglo-Indians and Indian Christians, in whose case the Estate Officer is satisfied that they profess European habits, the Estate Officer has been vested with discretion to allot residence with raised W. C. (unorthodox quarters) to them provided they are otherwise eligible for the particular category of 'A', 'B', 'C' and 'D' type of accommodation."

Necessary amendments to the rules will be made in due course. That was the original Memorandum that was issued. The amended Memorandum makes this change.

"The Estate Officer has been vested with discretion to allot residences with raised W. C. (unorthodox quarters) to those officers, whether European, Anglo-Indian or Indian, in whose case he is satisfied that they profess European habits, provided they are otherwise eligible for the particular categories of 'A', 'B', 'C' and 'D.'"

Mr. Abdul Qaiyum: I want to know from the Honourable Member what exactly is meant by "profession of European habits". What exactly is the difference between a raised W.C. and other W.Cs.

Sir Syed Raza Ali: I take it that what the Honourable Member means, so far as I am able to follow him, is that the Estate Officer has got to be satisfied regardless of the fact whether the applicant is a European, Anglo-Indian or Indian, that the applicant should have a raised W.C., provided he conforms to the European standards of living or has adopted the European standard of living, so that the discretion vested in the Estate Officer is applicable

to all three classes—European, Anglo-Indian or Indian. I believe that is the meaning. My Honourable friend ought to be sorry for the mistake and I sympathise with him.

Mr. President (The Honourable Sir Abdur Rahim): I take it that the Honourable Member is satisfied now with the reply of the Honourable the Labour Member.

USE OF UNFAIR MEANS ON THE PUBLIC OF BIHAR FOR PURCHASE OF NATIONAL SAVINGS CERTIFICATES.

Mr. President (The Honourable Sir Abdur Rahim): The last adjournment motion is one by Maulvi Muhammad Abdul Ghani relating to the use of force and illegal and unfair means on the public of Bihar by the agents of the Government for the purchase of National Savings Certificates.

Which is the Government referred to in the motion: Is it the Government of India or the Government of Bihar?

Maulvi Muhammad Abdul Ghani (Tirhut Division: Muhammadan): At the instance of the Government of India the local magistrates act as agents.

Mr. President (The Honourable Sir Abdur Rahim): Who are these officials? Are they the agents of the Government of India or of the Bihar Government?

Maulvi Muhammad Abdul Ghani: The Government of India.

The **Honourable Sir Jeremy Raisman** (Finance Member): The position is that the policy of encouraging to the maximum extent small savings is of course recommended to Provincial Governments by the Government of India. The action taken in pursuance of that policy is a matter for the Provincial Government and the officers through whom it is carried out are officers of the Provincial Government.

Maulvi Muhammad Abdul Ghani: If those agents secure more orders for the National Savings Certificates, they rewarded by the Central Government.

Mr. President (The Honourable Sir Abdur Rahim): But they are not officers of the Government of India.

Sardar Sant Singh (West Punjab: Sikh): When the Government of India pays them any commission for the sale of these certificates, they become legally the agents of the Government of India.

Nawabzada Muhammad Liaquat Ali Khan (Rohilkund and Kumaon Divisions: Muhammadan Rural): Apart from that, it includes officers of the Government of India also, for instance, the Income-tax Officers, and in fact the whole Government machinery is being used for this purpose.

Mr. President (The Honourable Sir Abdur Rahim): This is denied by the Honourable Member in charge.

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): If anybody works on behalf of the Government of India, though he may be a servant of a Provincial Government, he is acting on behalf or as the agent of the Government of India. Income-tax Officers are officers of the Government of India and not of the Provincial Government.

Mr. Abdul Qaiyum: The question is, is it suggested that there are no servants or agents of the Government of India among the persons concerned?

The **Honourable Sir Jeremy Raisman**: Certainly as far as the use of force and illegal or unfair means is concerned. I do not know what are the precise cases which the Honourable Member has in mind but I presume that he wishes to make charges that the local officials have exceeded their powers of what is due and proper in the pursuance of this matter—it entirely depends who are the officials against whom he prefers these charges. Normally the Government of India has not got officials in these districts who can carry out these functions.

Mr. President (The Honourable Sir Abdur Rahim): According to the allegation of Maulvi Abdul Ghani, there are also officials of the Government of India who are concerned in the cases about which complaint is made in the

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adjournment motion. This is a matter which can be discussed if the adjournment motion is moved. But as objection has been taken to leave being granted, those who are in favour of leave being granted will rise in their places.

(Not less than 25 Members rose in their places.)

As not less than 25 Members have risen, leave is granted. The motion will be taken up at 4 o'clock.

Sir Muhammad Yamin Khan: Will the adjournment motion be taken up as soon as the business on the agenda is over, if it is earlier than 4 o'clock?

Mr. President (The Honourable Sir Abdur Rahim): Certainly, if the business before the House is finished before 4. I would like to know if the Members would like this adjournment motion to be taken up then?

Some Honourable Members: Yes.

The Honourable Sir Jeremy Raisman: No; I object to that.

Mr. President (The Honourable Sir Abdur Rahim): In that case it will be taken up at 4 o'clock.

DEMANDS FOR EXCESS GRANTS FOR 1942-43:

Civil

DEMAND NO. 3—TAXES ON INCOME INCLUDING CORPORATION TAX

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 29,995, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43 in respect of 'Taxes on Income Including Corporation Tax'."

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

"That an excess grant of Rs. 14,694, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43 in respect of 'Taxes on Income Including Corporation Tax'."

The motion was adopted.

DEMAND NO. 16—CIVIL DEFENCE DEPARTMENT.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 14,694, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43 in respect of 'Civil Defence Department'."

Mr. President (The Honourable Sir Abdur Rahim): I will not read out the words "to regularise the expenditure chargeable to revenue actually incurred" as they occur in every demand. In the proceedings, however, each question put by me will be recorded in its present form, that is, including the words which I have considered unnecessary to read out each time.

Motion moved:

"That an excess grant of Rs. 29,995, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43 in respect of 'Civil Defence Department'."

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadian Rural): Sir, in the notes given, the reason for this excess is supposed to be the creation of additional posts and reception of fire officers coming from the United Kingdom. Usually in supplementary grants we are given details as to how the excess has happened, who are the new officers appointed, what are their salaries and other necessary details. In these Excess Grants also I think we should have some details by which we can understand as to who are the officers, etc. Secondly, I would like to know what are these reception expenses. Does it mean arranging tea parties or dinner parties or lunches so that these officers might meet others? I find in today's papers that about 9½ lakhs has been spent over foreign missions which have come to India. Some of these missions are not always in the interests of India. In the case of a mission like the Fertilisers Mission which can be useful to India, I can understand their expenses being met out of Indian revenues. But some of the others may not have come out entirely in Indian interests, and I see many of them. There is the Anglo-American Ports and Shipping Mission, a lot of money has been spent on it. There is also the Anglo-American Steel Mission

The Honourable Sir Jeremy Raisman: Is this relevant to the question of Civil Defence—various missions of other kinds?

Mr. T. S. Avinashilingam Chettiar: What I wanted to ask is, what is the reception expenses that have been referred to here?

The Honourable Sir Jeremy Raisman: I do not think it means reception in the sense of reception in the hall of a hotel or anything like that: it is the expenditure incurred in employing and moving these fire officers to the proper place: for instance, I believe, that when these officers arrived it had not yet been finally decided to which Provincial Governments they will be allotted and so on. I do not think there is any sumptuary aspect in this reception of fire officers.

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

"That an excess grant of Rs. 29,995, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Civil Defence Department'."

The motion was adopted.

DEMAND No. 18—LEGISLATIVE DEPARTMENT

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 2,217, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Legislative Department'."

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

"That an excess grant of Rs. 2,217, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Legislative Department'."

The motion was adopted.

DEMAND No. 20—DEPARTMENT OF INDIANS OVERSEAS

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 2,925, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Department of Indians Overseas'."

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

"That an excess grant of Rs. 2,925, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Department of Indians Overseas'."

The motion was adopted.

DEMAND No. 21—FINANCE DEPARTMENT

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 31,723, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Finance Department'."

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

"That an excess grant of Rs. 31,723, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Finance Department'."

Mr. T. S. Avinashilingam Chettiar: I raised another point to which the Honourable Member did not reply. I suggested that details should be given when new officers are appointed. In this case new officers have been appointed and I suggest that at least some details should be given so that we may understand what the expenditure is about. May I know whether the Honourable Member will incorporate this procedure in future?

The Honourable Sir Jeremy Raisman: The question is how much detail should be given for these excesses. I think when they are important, details are given. Actually, the appointment of a voted officer, in place of a non-voted one, which is purely technical, may cause a large excess in the voted grant. I imagine that the House would not be interested in the other matters, which are comparatively small and therefore it was not thought worth while to give the details.

Mr. T. Chapman-Mortimer (Bengal: Europeans): The details wanted by the Honourable Member will be found in the Appropriation Accounts.

The Honourable Sir Jeremy Raisman: The details will be found in documents which are available to Members.

Mr. T. S. Avinashilingam Chettiar: May I suggest in that case that some asterisks may be put and references given?

The Honourable Sir Jeremy Raisman: There are Members in this House

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who are prepared to answer questions on any particular item, which Members may wish to ask.

Mr. T. S. Avinashilingam Chettiar: I am suggesting a procedure by which we can get the information without troubling the Members.

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

"That an excess grant of Rs. 31,723, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Finance Department'."

The motion was adopted.

DEMAND NO. 29A—JAILS AND CONVICT SETTLEMENTS.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 3,229, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Jails and Convict Settlements'."

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

"That an excess grant of Rs. 3,229, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Jails and Convict Settlements'."

The motion was adopted.

DEMAND NO. 32—LIGHTHOUSES AND LIGHTSHIPS

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 16,963, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Lighthouses and Lightships'."

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

"That an excess grant of Rs. 16,963, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Lighthouses and Lightships'."

Mr. T. S. Avinashilingam Chettiar: The explanation given for this excess is that as the Lighthouses in the Rangoon district had ceased to function after January, 1942, there was a smaller issue of stores. A smaller issue of stores should have resulted in less expenditure, not greater expenditure. It must be less than the Budget grant. Then how is it that you ask for an excess grant for a thing which ceased in nine months?

There is another point which I wanted to raise in connection with Convicts and Convict Settlements. The only convict settlement, as far as I understand, is the Andamans and Nicobar Islands which had been lost earlier than 1942 and the Government of India seems to be still incurring expenditure whether people exist or not. It is like asking for money to build a bridge which was not built at all and then asking for money for demolishing a bridge which was not built.

The Honourable Sir Jeremy Raisman: Like my Honourable friend's imaginary case about the bridges, he is here also wrong in his facts. He soon forgets the course of history! The Japanese menace is so far removed from his mind that he has forgotten the date on which the Andamans passed into the occupation of Japan.

On the other point as to how a smaller issue of stores resulted in an excess of expenditure, I would suggest to my Honourable friend, since he is interested in these matters, that he should study the accounting position in regard to the heading 'Lighthouses and Lightships', where he will find that owing to the fact that there is a separate fund on which adjustments are made each year it can so happen that a credit to the fund appears as a debit in the general account. It is a technical matter but if he will study the form in which that account is kept, he will understand the apparent paradox.

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

"That an excess grant of Rs. 16,963, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Lighthouses and Lightships'."

The motion was adopted.

DEMAND No. 34—BOTANICAL SURVEY

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 4,672, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Botanical Survey'."

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

"That an excess grant of Rs. 4,672, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Botanical Survey'."

Mr. T. S. Avinashilingam Chettiar: In this case also, I should like to have an explanation of a technical matter. The reason for the excess in this case is an "erroneous adjustment under this grant of certain expenditure properly debitable to grant No. 43".

If it is debitable there, why is it here? Here you want more money? It cannot be that the amount is spent on both heads. There must be some mistake somewhere.

Mr. J. D. Tyson (Secretary, Department of Education, Health and Lands): The kind of thing that happened is this. Certain freight charges for transferring quinine from Mungpo, where it is manufactured, to Lahore and to Ootacamund were debited to the Botanical Survey by mistake. They should have been debited to Public Health. Similarly as regards the other charges which go to make up this sum and which are either for handling quinine or for converting quinine into tablets. They should have been debited to Public Health. Erroneously they were debited to the Botanical Survey which, of course, had no funds to meet the debit. The Botanical Survey was saddled with this expenditure by mistake.

Mr. T. S. Avinashilingam Chettiar: Are you sure it has not been debited in the other place?

Mr. J. D. Tyson: Certainly it has not.

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

"That an excess grant of Rs. 4,672, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Botanical Survey'."

The motion was adopted.

DEMAND No. 39—METEOROLOGY

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 7,544, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Meteorology'."

I would point out in answer to my Honourable friend's question that the non-recovery of certain expenditure from the Defence Services, from any non-voted head, from any other head for the matter of that, must result in an excess in this particular head.

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

"That an excess grant of Rs. 7,544, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Meteorology'."

The motion was adopted.

DEMAND No. 43—PUBLIC HEALTH

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 40,870, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Public Health'."

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

"That an excess grant of Rs. 40,870, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Public Health'."

The motion was adopted.

DEMAND No. 48—CIVIL VETERINARY SERVICES

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 11,061, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Civil Veterinary Services'."

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That an excess grant of Rs. 11,081, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Civil Veterinary Services'."

The motion was adopted.

DEMAND No. 50—SCIENTIFIC AND INDUSTRIAL RESEARCH

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 1,48,970, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Scientific and Industrial Research'."

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

"That an excess grant of Rs. 1,48,970, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Scientific and Industrial Research'."

The motion was adopted.

DEMAND No. 57—CENSUS

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 626, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Census'."

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

"That an excess grant of Rs. 626, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Census'."

The motion was adopted.

DEMAND No. 60—CURRENCY

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 1,00,945, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Currency'."

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

"That an excess grant of Rs. 1,00,945, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Currency'."

Mr. T. S. Avinashilingam Chettiar: Sir, with regard to this matter, I would like to draw the attention of the House to a few facts which have been brought to light by the Public Accounts Committee. The Report says on page 22, paragraph 35:

"The Committee observed that the *pro forma* accounts of the Calcutta Mint, had not been compiled in time for them to be audited and for the results to be included in the Appropriation Accounts for 1941-42 and that the *pro forma* accounts for 1942-43 had not been audited for the same reason."

May I know why all these accounts were not made available for audit? For the management of public affairs it is necessary that accounts should be placed before the Audit authorities. Then, I would also point out that the maintenance of accounts for the stores of the Mints is not as satisfactory as it should be. It seems that since the beginning of the war the management of the stores has become very deplorable, both on the civil as well as the military side. The Committee has said:

"They also noticed that in all the three Mints the stores had not been verified during the course of the year, the reason given being that owing to pressure of coinage and other work no officers could be spared for the purpose of verification."

I am loathe to doubt people without proper reason, but usually in the absence of verification things are somewhat wrong and in the end we always find large deficits. For three years, the stores were not verified. Whom are we to blame? Usually there would have been various persons who were in charge of the stores and without being able to fix the blame on any particular person, the matter is generally dropped. I want to tell the Finance Member that this state of things is not good for the finance of any country and he must take steps to see that accounts are submitted in proper time and that the stores are checked and verified every time. The Committee further goes on to say:

"Even if the conditions of work were such that regular stock verification was not possible, there should invariably be a surprise and percentage test check somewhat on the same lines

as had been agreed to by the Committee in its Report on the Accounts of 1941-42, for the Photo-Litho Office."

May I know whether that check at least was made? In the absence of these checks, I would suggest that there is a large scope for embezzlement and misuse of public funds.

Mr. T. Chapman Mortimer: Sir, may I make a brief observation about this account? We heard the witnesses of the Department in connection with this matter and, as it will be obvious to Honourable Members, it would be a very serious thing indeed if Government officers did not properly check stocks at Mints and so on. But it has to be borne in mind that at the time to which these accounts relate, namely, the end of 1942 and the beginning of 1943, the position not only in Calcutta but in other parts of India was very difficult indeed. It was particularly difficult for the Mints; because, I believe I am right in saying that they were moving certain things away from Calcutta and these were coming into other Mints very quickly. The officers explained that they had to do a great deal of extra work which was leading to very late hours indeed, running in some cases to midnight, and the officers could not cope with all that they had to do. The consequence was that some of the normal procedure could not be carried out. Later on, we were assured that these normal checks and the normal procedure were again enforced and given effect to. But during these very critical months when Singapore and Burma fell and an enormous additional stress was thrown on the Department, the witnesses explained to us, during that period they had been unable to carry out the duties effectively. I think I am right in saying that they did not defend in any way the action or rather the inaction that had arisen and they were completely at one with the Auditor General in all the observations that he had to make. My recollection was that the whole Committee was entirely satisfied with the evidence which we received from the Department upon that point. At the same time, we felt it our duty, as persons who were looking into these matters, to place on record our view of the case and that is set out in this paragraph.

The Honourable Sir Jeremy Raisman: Sir, I would like to say, in the first place, that this discussion is entirely irrelevant because we are dealing with the head 60—Currency and not with 61—Mint, for which there is no excess in the year in question. There is an excess under the head Currency. But since the point has been raised I would only remind my Honourable friend that at that time there was the greatest difficulty in meeting the demand of the country for coinage. Would you rather stop to verify stocks or have more small coins put out at that time? It is my melancholy experience that when things go wrong, one never ceases to hear of them, but when after Herculean efforts one succeeds in producing a remedy, the subject merely drops out of everybody's consciousness. Everybody has forgotten what the small coin situation was like. But I did not forget. It was a matter of the most anxious concern to me the whole of that time. Everybody in the Mint was working day and night. They were subject to the most abnormal pressure. The amount of coins coined in this country during that period is, I fully believe, much larger than what has ever been coined in any country in the history of the world.

Mr. T. S. Avinashilingam Chettiar: That is no defence for not doing things properly.

The Honourable Sir Jeremy Raisman: I do not say that it is not highly desirable and essential that stocks should be verified, but I would remind my friend of the lawyer's maxim, *Lex non cogit ad impossibilia*.

Mr. T. T. Krishnamachari (Taniore cum Trishinopoly: Non-Muhammadan Rural): Perhaps the Honourable Member is not aware of it.

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

"That an excess grant of Rs. 1,00,945 be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Currency'."

The motion was adopted.

DEMAND No. 72—PANTH PIPLODA

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 1,013, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Panth Piploda'."

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

"That an excess grant of Rs. 1,013, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Panth Piploda'."

Mr. T. S. Avinashilingam Chettiar: I wish just to know where this Panth Piploda is. Why should you keep a small administration like that? There is the Chief Commissioner for that. It is very mysterious. We do not know where Panth Piploda is and why this Excess Grant is necessary. Let us have some light.

The Honourable Sir Jeremy Raisman: The Honourable Member should study the Government of India Act and the Gazetteer.

Mr. T. S. Avinashilingam Chettiar: But has the Honourable Member himself studied it?

The Honourable Sir Jeremy Raisman: I know there are provisions in the Government of India Act relating to Panth Piploda.

Mr. T. S. Avinashilingam Chettiar: But what is Panth Piploda? Is it a house or a town?

Mr. President (The Honourable Sir Abdur Rahim): I think this question was answered last year but I do not remember the answer.

The question is:

"That an excess grant of Rs. 1,013, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Panth Piploda'."

The motion was adopted.

DEMAND No. 10—INDIAN POSTS AND TELEGRAPHS DEPARTMENT

The Honourable Sir Jeremy Raisman: Sir I move:

"That an excess grant of Rs. 1,20,99,282, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Indian Posts and Telegraphs Department'."

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

"That an excess grant of Rs. 1,20,99,282, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Indian Posts and Telegraphs Department'."

Mr. T. S. Avinashilingam Chettiar: Sir, the Honourable the Finance Member in reply to a previous question said that when the amounts were large, it was the habit to give details of payments made. In the present instance, the amount involved is Rs. 1,20,99,282. The reasons given for this Item 17 on page 3 of the Public Accounts Committee report are:

"Special lump sum contribution to the Renewal Reserve Fund decided to be made after the close of the year, larger expenditure on pay of officers and pay of establishment mainly due to the creation of additional posts and more payments on account of allowances, etc."

The above explanation does not give full details. The amount is very large and if as the Honourable Member said he is in the habit of giving details in cases of large amounts, he should have complied with it in this case. At least the amounts should have been separated and shown under different heads of expenditure. Instead of jumbling up the whole thing, he should have shown some amount under Renewal Reserve Fund, some amount on pay of officers, some amount on pay of establishment, some amount under allowances. In this way, he should have split up the whole sum and shown separately under each head. It is highly desirable that figures should be given separately so that we can understand how much has been spent and under what head. This omnibus mixing of the whole amount into one crore 20 lakhs does not help us in any way and this is too big a sum to be lightly brushed aside even for the bloated budget of the Government of India as it is today. More details should be given for this sum. Now, Sir, I will refer to some of the sugges-

tions made by the Public Accounts Committee on page 67. There they plead for a more rational way of doing things. This allotment for renewals has been given year after year, God knows, on what standard and on what principles. Something comes to the mind of the Finance Member or to the mind of the Financial Adviser to Posts and Telegraphs and then he says, let me have 100 lakhs. This year a lump sum contribution of Rs. 1,20,99,282 has been made. I understand in one year the allotment was 150 lakhs. From the figures given here, I find that in some years the amount contributed to the renewal fund was less than the money spent out of the fund. I want to know what is the standard by which you allot lump sums to this fund. We are not able to see any standard laid down. On page 67 of the Public Accounts Committee report, the Public Accounts Committee suggested:

"The Public Accounts Committee at their meeting held on the 28th August, 1943, approved of a lump sum contribution to R. R. Fund of Rs. 150 lakhs from the accumulated surplus at the end of 1942-43, so as to replenish the balances in the Fund, which were considered to be unduly depleted. The Committee were, however, not satisfied with the present method of fixing the contributions on an empirical basis and desired that the purely *ad hoc* determination which had resulted for a time in the Fund receiving credits in excess of needs and later in receiving credits less than were required should give place to a determination based on principle."

The reply which this memorandum gives to that suggestion of the Public Accounts Committee is that it is difficult to do it in war time. That is the reason given for all the ills which the Government of India commit today. I do not see any reason why for Posts and Telegraphs at least they should not proceed on a more rational basis. From the accounts that are given we find that the contributions to the fund have been less of late than the money taken out of the fund and if it goes on at this rate, then the fund will not stand at a good figure for long. So, Sir, we would plead that the suggestion of the Public Accounts Committee be adopted by the Finance Department and the Department of Posts and Telegraphs, and that hereafter they should determine on some principle or on some basis as to what amount should be given for renewals. Without that I am afraid we would get floundered on the rock of too much expenditure. I would suggest that the Honourable the Finance Member should explain these two points.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadian Rural): Sir, the amount involved in this Grant is a little too much, it is nearly ten per cent of the original Grant that was voted. In view of the fact that it is as much as ten per cent of the amount that was already voted by the Assembly, I should like to have information on the following points. It is usual to place such matters which arise newly for consideration before the Standing Finance Committee. May I know from the Honourable the Finance Member whether this appropriation to renewal fund was placed before the Standing Finance Committee and its approval obtained? I should also like to know what was the original amount that was collected during the year, the total income under this head and what proportion does this amount that is reserved for renewal reserve fund bears to the total income during that year. I should also like to know from the Honourable Member whether he is aware that whenever a larger income than is anticipated accrues in a particular year and it is feared that a smaller amount might be realised by way of revenue next year, then there is a Revenue Reserve Fund created. This is the practice in the Madras Presidency. May I know whether any such Fund may not be created in the Centre so that the increased cost of post cards and envelopes, which originally stood at six pies and one anna might not be restored? If the revenue for the next year is not sufficient to give such relief, for reduction in the cost of post cards and covers, then a revenue reserve fund must be created. I want information on this point. I should also like to know what proportion of this one crore twenty lakhs has been spent for increase in the pay of the staff, in the pay of higher officers, how many higher officers were appointed, how many of them were Indians and how many were Europeans and what are the respective salaries paid to Indians and Europeans. I want information on all these points

Sir Gurunath Bewoor (Secretary, Posts and Air Department): Sir, I think I should reply to the last part of the question first. The Honourable Member is labouring under a misapprehension if he thinks that this 1 crore and 50 lakhs has been spent. It has not been spent at all. It has been transferred from the total surplus of the year to the Renewals Reserve Fund.

Mr. M. Ananthasayanam Ayyangar: Not wholly.

Mr. T. S. Avinashilingam Chettiar: The 1 crore and 50 lakhs which I referred to in the memorandum may be what the Honourable Member suggests. But the excess grant is not that; it is 1 crore and 20 lakhs.

Sir Gurunath Bewoor: I am going to explain it.

Mr. M. Ananthasayanam Ayyangar: I wanted to correct the Honourable Member's mistake when he said that I was labouring under a misapprehension because on page 3 of the Public Accounts Committee's report I find. . .

Sir Gurunath Bewoor: I am explaining the position. The Honourable Member wanted to know what officers have been appointed, etc. I wanted to explain first that this 1 crore and 50 lakhs was a transfer from the revenues of the year to the Renewals Reserve Fund. We now ask for 1 crore and 20 lakhs. Ordinarily we should have asked for 1 crore and 50 lakhs, but there were savings in certain other items of expenditure. The result therefore is that we are asking for 1 crore and 21 lakhs. Now this decision to debit this 1 crore and 50 lakhs has already been explained in Appendix V of the Public Accounts Committee Report from which the Honourable Member read out. As you will see from the statements there, the contribution to the revenues which had been fixed at a lump sum and which was considered in normal circumstances to be adequate was found to be inadequate by experience. The Public Accounts Committee asked us to examine the position. The position was examined. We were trying to obtain both from the United Kingdom and from the U. S. A. the methods which were followed in the post offices there to secure a proper contribution to the Renewals Reserve Fund. In the meantime, as Honourable Members are aware, Government have undertaken a very large increase of the tele-communications of the country and our capital expenditure was going up. As you will see from the statement there, the capital at charge in respect of fixed assets which was 17 crores at the end of 1941-42 became 19 crores at the end of 1942-43 and in the budget estimate of 1943-44, it was 22 crores. So there is going to be an increased capital at charge and we thought that the safest thing to do was to make a lump sum contribution to the Renewals Reserve Fund. It will be there as a security measure, and later on at the end of the war, when we have got all the capital works worth about 16 crores constructed, we will decide exactly what is the contribution we ought to make. We are trying to work out a formula for these contributions but unfortunately we have not been able to find a suitable formula from the various methods that are being studied, and for that reason we said that for this year we will make a lump sum contribution of 1 crore and 50 lakhs; and it was approved by the Public Accounts Committee. As the Honourable Member has read out in paragraph 52, Public Accounts Committee considered the whole question and agreed to recommend that the excess under the grant should be voted by the Assembly.

Mr. Ayyangar referred to a Revenue Reserve Fund. I should like to mention in this connection that the department has built up what is known as accumulated surplus—balances of the department from the surpluses of various years—and I think the total figure now stands at about 7 crores. So there is that accumulated surplus in the department which may be looked upon as a kind of revenue reserve.

Mr. T. S. Avinashilingam Chettiar: I asked another question, viz., that this expenditure was for the Renewals Reserve Fund as well as for pay of officers, etc. Can we have separate figures for these things?

Sir Gurunath Bewoor: I am quite prepared to give the figures.

Pay of Officers.

Original grant—31 lakhs 29 thousand.
Final estimate—33 lakhs 11 thousand.
Actual expenditure—33 lakhs 10 thousand.

Pay of Establishment.

	Rs.
Original Grant	7,16,95,000
Final estimate	7,22,93,000
Actual expenditure.	7,23,87,000

The difference was 94,000.

There are altogether something like 16 items. The differences in each case in a big department which spends hundreds of lakhs are made up of a large number of items where the excess is a few thousand rupees one way or the other. One big item is the amount of 1 crore and 50 lakhs; and taking that, the small variations make up the final figure of Rs. 1,20,99,282. It is for that reason that I did not mention all these figures. But I have the figures here and the variations are small in the different items.

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

"That an excess grant of Rs. 1,20,99,282, be voted by the Assembly to regularise the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Indian Posts and Telegraphs Department'."

The motion was adopted.

RAILWAYS

DEMAND No. 3—MISCELLANEOUS EXPENDITURE

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 50,625, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Miscellaneous Expenditure'."

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

"That an excess grant of Rs. 50,625, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Miscellaneous Expenditure'."

The motion was adopted.

DEMAND No. 5—PAYMENTS TO INDIAN STATES AND COMPANIES

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 1,75,244, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Payments to Indian States and Companies'."

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

"That an excess grant of Rs. 1,75,244, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Payments to Indian States and Companies'."

The motion was adopted.

DEMAND No. 6-E—WORKING EXPENSES—EXPENSES OF TRAFFIC DEPARTMENT

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 16,71,911, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Working Expenses—Expenses of Traffic Department'."

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

"That an excess grant of Rs. 16,71,911, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Working Expenses—Expenses of Traffic Department'."

The motion was adopted.

DEMAND No. 6-F—WORKING EXPENSES—EXPENSES OF GENERAL DEPARTMENTS

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 1,74,880, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Working Expenses—Expenses of General Departments'."

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

"That an excess grant of Rs. 1,74,880, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Working Expenses—Expenses of General Departments'."

Mr. T. S. Avinashilingam Chettiar: I understand that this police was necessary during the days of disturbances. May I know if extra police and the extra amount of expenditure that has been incurred in the past has been stopped? Or, is the special police employed even now?

Mr. Zahid Husain (Government of India: Nominated Official): Sir, this question remains under constant review and action is taken wherever possible in consultation with the Provincial Governments to reduce the police. We have taken action to reduce the police in many provinces and in many places.

Prof. N. G. Ranga (Guntur *cum* Nellore: Non-Muhammadan Rural): How much of reduction has been effected in the special expenditure since the review has begun and since the reduction of special police staff has been commenced?

Mr. T. Chapman-Mortimer: Sir, there is one point which I would like to raise in this connection, and that is the action that had to be taken by the Railways to deal with the great increase in thefts from railway carriages and from depots and so on, and that, to some extent, was the explanation given to us for this increase under the Head 'Police'. Not only that, but it was pointed out to us that in Bengal and Assam, where big war movements have taken place, they had to be very careful all the time that everything connected with movements was very carefully watched. There have been so many serious thefts that the railways were compelled to incur additional expenditure of this kind and though it may be true that in certain parts of the country they have been reducing the police which were recruited to deal with troubles of 1942, a great deal of additional expenditure now involved arises from different reasons altogether, namely, the pressure on the existing staff of the war circumstances in the east of India.

Prof. N. G. Ranga: Are we to understand that the special police was appointed for both the purposes—for the prevention of increased occurrences of theft in Railways and also for the prevention of any incidents in regard to the dislocation of lines or blowing up of bridges and things like that?

Mr. Zahid Husain: This police was only appointed for the protection of railway property and not for the prevention of thefts.

Prof. N. G. Ranga: And therefore what is the answer to my earlier enquiry? How much of reduction has been effected so far in the special expenditure?

Mr. Zahid Husain: I can assure the House that considerable reductions have been effected in the expenditure, but I have not got the figures now because they relate to succeeding years—1943-44 and 1944-45. Those figures will be available to the House during the budget discussion.

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

"That an excess grant of Rs. 1,74,880, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Working Expenses—Expenses of General Departments'."

The motion was adopted.

DEMAND No. 8—INTEREST CHARGES

The Honourable Sir Jeremy Raisman: Sir, I beg to move:

"That an excess grant of Rs. 2,958, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Interest Charges'."

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

"That an excess grant of Rs. 2,958, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Interest Charges'."

The motion was adopted.

DEMAND No. 9-A—REPAYMENT TO DEPRECIATION RESERVE FUND

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 305, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-4 in respect of 'Repayment to Depreciation Reserve Fund'."

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

"That an excess grant of Rs. 305, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Repayment to Depreciation Reserve Fund'."

The motion was adopted.

DEMAND No. 10—APPROPRIATION TO RESERVE.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 8,78,53,385, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of "Appropriation to Reserve'."

Sir, I need only say that this is really not an excess expenditure item, but due to surplus revenue being transferred to the Reserve Fund.

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

"That an excess grant of Rs. 8,78,53,385, be voted by the Assembly to regularise the expenditure chargeable to Railway revenue actually incurred in excess of the voted grant in the year 1942-43, in respect of "Appropriation to Reserve'."

The motion was adopted.

DEMAND No. 74—CAPITAL OUTLAY ON INDIAN POSTS AND TELEGRAPHS DEPARTMENT (NOT CHARGED TO REVENUE)

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 19,869, be voted by the Assembly to regularise the expenditure chargeable to Capital actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Capital Outlay on Indian Posts and Telegraphs Department (not charged to Revenue)'."

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

"That an excess grant of Rs. 19,869, be voted by the Assembly to regularise the expenditure chargeable to Capital actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Capital Outlay on Indian Posts and Telegraphs Department (not charged to Revenue)'."

Mr. T. S. Avinashilingam Chettiar: Sir, there is one point which I would like to raise in this connection.

Mr. President (The Honourable Sir Abdur Rahim): If the Honourable Member thinks that he cannot finish now, we will adjourn now and take up the matter after lunch.

Mr. T. S. Avinashilingam Chettiar: Sir, it is an important matter and will, I think, take about fifteen minutes.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can resume his speech after Lunch. The House will now adjourn until 2-30 p.m.

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Abdul Qaiyum (one of the Panel of Chairmen) in the Chair.

Mr. T. S. Avinashilingam Chettiar: Sir, the amount involved is about Rs. 21 lakhs. It is a capital outlay. We would like to see what are the new works that have been executed.

Sir Gurnath Bewoor: I did not quite catch the Honourable Member's question.

Mr. T. S. Avinashilingam Chettiar: The amount involved is Rs. 21 lakhs. This is capital outlay on new works and may we know what new works they have taken on hand?

Sir Gurnath Bewoor: I am afraid I have not the information. This report relates to 1942-43 and the works which have been carried out were mentioned in the Budget and to the Standing Finance Committee. I cannot give you the list of works carried out in 1942-43 to the extent of this amount.

Mr. T. S. Avinashilingam Chettiar: What is the use of coming here?

Sir Gurnath Bewoor: I am asked here to explain the extra expenditure—the variation between the sanctioned amount and the actual expenditure. The difference is only about Rs. 20,000 in a total of Rs. 20 lakhs.

Mr. T. S. Avinashilingam Chettiar: Since the whole item is a new expenditure we may know what it is on.

Sir Gurnath Bewoor: These are sanctioned works which are carried out. It so happened the actual expenditure was Rs. 20,000 more than that sanctioned in the budget. It is only one per cent. of the total expenditure. And if you see the report of the Committee it says: "There was a small excess in this grant as a result of various excesses and savings which more or less counterbalanced each other". These were all sanctioned works. It is impossible to give a list of these works. I can give him just the actual expenditure on buildings, apparatus and plant under the different headings of Telegraphs, radios, etc. But I cannot give him the name of a particular work that was being carried on in Coimbatore or Shillong.

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): The telephones in Delhi are hopelessly irregular. A Member has great difficulties in having messages sent properly. Will the Honourable Member see that the telephone system is properly worked? We have to wait for half an hour before getting satisfaction from the exchange.

Sir Gurnath Bewoor: Well, I have taken note of that.

Mr. Chairman (Mr. Abdul Qaiyum): The question is:

"That an excess grant of Rs. 19,869, be voted by the Assembly to regularise the expenditure chargeable to Capital actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Capital Outlay on Indian Posts and Telegraphs Department (not charged to Revenue)'."

The motion was adopted.

DEMAND NO. 75—STORES AND WORKSHOP EXPENDITURE (NOT CHARGED TO REVENUE).

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 26,74,046, be voted by the Assembly to regularise the expenditure chargeable to capital actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Stores and Workshop Expenditure (not charged to Revenue)'."

Mr. Chairman (Mr. Abdul Qaiyum): Motion moved:

"That an excess grant of Rs. 26,74,046, be voted by the Assembly to regularise the expenditure chargeable to capital actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Stores and Workshop Expenditure (not charged to Revenue)'."

Mr. M. Ananthassayanam Ayyangar: The original grant under this head was Rs. 35,000. Later on a supplementary grant of Rs. 28 lakhs was obtained in that year. Even that has been exceeded. A further sum of Rs. 27 lakhs has been spent by way of excess and sanction of this Assembly is sought for this expenditure. The original estimate was Rs. 35,000, whereas the amount actually spent was Rs. 55 lakhs, nearly 94 times as much. I would ask why such an under-estimate was made in the first instance. Secondly, why should this item be put to civil expenditure. It was stated before the Public Accounts Committee that this amount is the cost of equipment used entirely for war and that outside India. May I know in what theatre of war these materials were used? In paragraph 54 of the Public Accounts Committee report, the reason for this excess was a decision taken after the close of the year to eliminate from the Posts and Telegraphs' account the cost of certain stores supplied from abroad to the War Department outside India a credit for which had originally been taken in the accounts.

Let me know for what theatre of war this amount was used. What has become of those materials which were purchased? Why is this not charged to the Defence expenditure? I want information on these points. Also let me know why the original estimate was so low. Was the Standing Finance Committee consulted in this matter?

Sir Gurnath Bewoor: I must explain that this particular item about which we are asking for an excess grant is what is known as the Suspense Account. It is made up of the Stores Suspense Account and the Manufacture Suspense Account.

Let me explain what happens in the case of the Stores Account. Every store that is purchased is first debited to the Stores Account. When those

stores are issued to a work, that amount is credited to the Stores Account. Those stores then become a debit to the particular work on which they have been used. In the beginning of the year a general estimate is made of how much stores is likely to be purchased and how much stores is likely to be issued, so that at the end of the year you have a balance of what has been purchased and what has been issued, each purchase being a debit and each issue being a credit. An estimate was made in the beginning of the year that by the end of the year the purchases and the issues will be so much and that a balance of about Rs. 35,000 would be the addition to this Stores Account. During the course of the year—it was a war year—more stores were purchased and the progress on certain works, was not as fast as was anticipated. Therefore instead of issuing those stores, the stores remained in the Stores Suspense Account, so that there was no credit. The stores are there but it simply meant that we purchased more stores than we anticipated and we issued less stores than we expected.

Now I come to the item of 30 lakhs. The procedure is this. The stores purchased are taken on the books of the Stores Account. When issued, as I said, they are credited to the same account. Frequently stores do not necessarily go all the way to Calcutta where the Stores organisation is. They are purchased in one place and issued to the works and are entered in the books on both sides, debit and credit. Now in this particular case stores to the extent of 30 lakhs were purchased and were issued direct to the works concerned. Those were works for defence purposes. I want to explain that the telegraph stores look after both the civil as well as the defence works, because we happen to have telegraph stores. We are the one organisation who have a variety of telegraph stores and every time the stores are issued, whether it is for a civil or defence work, the Stores Suspense Account gets its credit and debit. In this particular case the stores came and went straight to the Middle East without touching India. The accounts people made a mistake in showing those 30 lakhs as purchase and, therefore, as a debit to the Stores Account. In due course they would have got a credit on the other side as soon as they were issued to the Defence. But the year ended before this could be done. The Audit held that this 30 lakhs was wrongly entered in the books. We are therefore asking you for an excess grant to regularise the position. Actually after the end of the year that entry was removed. It had the same effect as showing a credit of 30 lakhs from the Defence. It is just a matter of accounting and that is why we have come before you for regularising this particular item.

Mr. Sami Vencatachelam Chetty (Madras: Indian Commerce): If at the end of the year it is a matter of credit adjustment, what stores were used for the various works for which they were intended?

Sir Gurunath Bewoor: As I had explained, these stores never came into the Stores organisation at all: they went straight. But the Stores people made an entry as if they had been received and the credit from Defence had not been given by the end of the year.

Mr. Sami Vencatachelam Chetty: Has it since been given?

Sir Gurunath Bewoor: Yes, it has been given.

Mr. Sami Vencatachelam Chetty: By how many lakhs?

Sir Gurunath Bewoor: The exact amount which had been debited.

Mr. Sami Vencatachelam Chetty: The actual amount. Therefore there is no balance under stores with regard to that particular item.

Sir Gurunath Bewoor: That is quite right.

Mr. Chairman (Mr. Abdul Qaiyum): The question is:

“That an excess grant of Rs. 26,74,046, be voted by the Assembly to regularise the expenditure chargeable to capital actually incurred in excess of the voted grant in the year 1942-43, in respect of ‘Stores and Workshop Expenditure (not charged to Revenue).’”

The motion was adopted.

DEMAND No. 80 —INTEREST FREE ADVANCES

The Honourable Sir Jeremy Raisman: Sir, I move:

"That an excess grant of Rs. 4,09,830, be voted by the Assembly to regularise the expenditure on Loans and Advances actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Interest-free Advances'."

May I explain that this is part of the technical method of accounting for raw materials in the mints? The value of the raw materials actually carried in the mints is treated as a suspense item, that is to say, as if it were an advance to the mint and if the raw materials that come in in a particular period are larger than was anticipated in the budget, that is reflected by the increase in interest-free advances. It is purely a technical matter, somewhat similar to the point which has just been dealt with by my Honourable friend Sir Gurunath Bewoor.

Mr. Chairman (Mr. Abdul Qaiyum): Motion moved:

"That an excess grant of Rs. 4,09,830, be voted by the Assembly to regularise the expenditure on Loans and Advances actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Interest-free Advances'."

Mr. T. S. Avinashilingam Chettiar: Sir, it is a technical matter and I would like to raise a technical point. I am referring to page 23 of the Public Accounts Committee's report. For various reasons they asked for a supplementary grant and got a large amount and over and above that they have spent, for which they have come here for an excess grant and the amount involved is 98 lakhs under "Civil Advances" mainly for the activities of the Supply Department and for advances on behalf of certain foreign Governments, Rs. 25 lakhs for the grant of evacuation advances to families of Government servants from vulnerable areas and Rs. 17 lakhs on account of purchase of raw materials for mints. The question that I would like to raise is this. Interest-free advances have an odd way of disappearing in the end. Take the case of the last war, when advances were made under the suspense account. The advances went on accumulating and after ten years it was found that the assets for the advances were not existing. Many trades, many activities of the Government were advanced under the suspense account, where they ought to have been advanced under some regular account. Advances under the suspense account are not placed before the Public Accounts Committee or any other Committee and since they are not audited properly, the effect was that after ten years the assets were found not to exist. I see that the Committee as well as the Auditor General have suggested that this sort of expenditure should not happen in future. I would here quote from page 23 of the Public Accounts Committee Report:

"When at the beginning of the war Government started embarking upon certain activities in the nature of State trading in which large sums of money would have been expended on purchase and then recovered by sale, it was proposed that, following tradition and the practice which had been followed in the last war, the relevant debits should be taken to Suspense. These suspense balances had taken as long as ten years to be cleared after the close of the last war. Further, this procedure had the disadvantage of enabling the Executive to continue over a series of years to spend large sums of public money without so much as bringing the matter to the notice of the Legislature or the Public Accounts Committee. These bodies learnt of it only when the activity had ceased, a loss had been incurred and a debit had to be taken to revenue at which stage they could not possibly raise any objection."

Let us suppose, the Supply Department invest 50 lakhs in a certain transaction. This would be transferred continuously from year to year for many years and after ten years it might be found that there are only 5 lakhs and 45 lakhs had disappeared. The only thing that could be done after ten years is to write it off. Nobody will have any voice in the matter and so it was suggested by the Public Accounts Committee and by the Auditor General that these large sums advanced specifically for the purpose of some sort of State trading (and the Supply Department's activities are essentially of the nature of State trading) should be on a regular account and they should be brought before the Public Accounts Committee and be subject to regular audit, to which other departments are subject. I would like to know whether that step has been taken and whether it is being done now.

Coming now to the Supply Department, the very mention of that name strikes terror into us, because we know how money is being spent in extravagant

contracts and extravagant expenditure. The amount involved is 2 crores and the explanation which you gave is only for 17 lakhs. The real explanation is that the money has been advanced to the Supply Department, that is, 98 lakhs under Civil advances and 25 lakhs as Evacuation advances to families of Government servants. I do not know how much was recovered and how much was recoverable. That money ought to have been recovered by this time. In any case this should not be treated as interest-free advance, because advances are an item which are not brought before any Committee of the Legislature or brought before the Public Accounts Committee for its scrutiny, and so I would like to know from the Honourable the Finance Member whether this procedure has been followed, after the suggestion made by the Public Accounts Committee; and may we also know this? It is difficult to avoid all suspense accounts entirely; but if they are absolutely essential, my suggestion is that they should not be carried over the year: if they are to be passed over to the next year, they must be entered as debit items in a separate account and it must be brought before the Public Accounts Committee.

Mr. M. Ananthasayanam Ayyangar: Sir, may I know if the object of removing this item from the Suspense account and placing it under Capital Outlay was that it may not be a long time after the close of the war that these suspense accounts should be cleared, but then and there an opportunity should be given to the department concerned as also to the Assembly and the Public Accounts Committee to find out that these amounts have been adjusted. In the previous war, it took ten years for the suspense accounts to be cleared, and until then the Executive had a free hand to spend as they liked, and ultimately it was found that they had spent larger sums than were granted, and therefore the excess of expenditure over the grant had to be put into the revenue accounts of later years. To avoid that contingency and that difficulty, instead of putting these into the suspense account, it has been advised to be put into the Capital advance account. I would like to know whether the sums that have been allotted during that year and the year under review have already been accounted for and there is no balance on that head. I want that information. Unless that kind of check is made from time to time, the object of removing it from the suspense to capital advance would be frustrated. I would ask for information from the Honourable Mover.

The Honourable Sir Jeremy Raisman: Sir, I think the answer to Mr. Chettiar's question is given in the report of the Public Accounts Committee. The Auditor General brought to the notice of the Committee the disadvantages of the practice of debiting items wholesale to suspense and leaving possibly years to elapse before they were cleared or before they came to the notice of the Legislature or the Public Accounts Committee. It was because of those disadvantages that the Auditor General had taken the initiative in suggesting that they should be debited to capital outlay, such as this, which formed part of the regular budget and is dealt with in the Appropriation Accounts and comes under the purview of the Public Accounts Committee. Para. 37 of the Report goes on to say:

"It had therefore been decided by the Finance Department at the instance of the Auditor General that all these schemes of the nature of State trading, in which money had initially to be spent with the idea that it would ultimately be recovered, should be debited not to Suspense but to Capital thus bringing it within the Appropriation Accounts and consequently to the notice of the Public Accounts Committee and the Assembly."

What was reported was a definite decision of the Finance Department to that effect. This was endorsed. The Committee expressed itself as strongly in favour of the new procedure and recommended its continuance and extension to all such schemes in future. I have no doubt that that recommendation of the Committee has been accepted.

As regards the observations of Mr. Ayyangar, I cannot tell him what is the current state of the accounts to which he referred. This will have to be brought before the Public Accounts Committee in due course. The point is that there is now a regular procedure whereby they will from year to year be brought to the notice of this Assembly and of the Public Accounts Committee.

Mr. Chairman (Mr. Abdul Qaiyum): The question is:

"That an excess grant of Rs. 4,09,830, be voted by the Assembly to regularise the expenditure on Loans and Advances actually incurred in excess of the voted grant in the year 1942-43, in respect of 'Interest-free Advances'."

The motion was adopted.

THE INSURANCE (SECOND AMENDMENT) BILL

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE

The Honourable Sir M. Azizul Huque (Member for Commerce and Industries and Civil Supplies): Sir, I present the Report of the Select Committee on the Bill further to amend the Insurance Act, 1938.

Mr. Chairman (Mr. Abdul Qaiyum): The House now stands adjourned till 4 o'clock when the adjournment motion will be taken up.

The Assembly then adjourned till Four of the Clock

The Assembly re-assembled at Four of the Clock, Mr. President (The Honourable Sir Abdur Rahim) In the Chair.

MOTION FOR ADJOURNMENT

USE OF UNFAIR MEANS ON THE PUBLIC OF BIHAR FOR PURCHASE OF NATIONAL SAVINGS CERTIFICATES

Maulvi Muhammad Abdul Ghani (Tirhut Division: Muhammadan): Sir I move:

"That the Assembly do now adjourn."

The purpose of this adjournment motion is to discuss the foul, unfair and illegal means adopted by the agents of the Government of India in compelling the public to purchase the National Savings Certificates. They do not know what is legal or illegal in their zeal to make people purchase these certificates. This is not the case in Bihar only. I say that this is being done all over India. In this very place, Delhi, which is a centrally administered area, this thing is happening every day. The license of the hotel keepers and others are stopped on pain of purchasing the National Savings Certificates and they are compelled to give a certain amount. The rations of hotel keepers and others have been stopped here. The parents of the children of the municipal schools have been compelled by the magistrate here to pay Rs. 10 for each child, so that their child may remain in school. If the children's parents do not pay Rs. 10 per head, they will be turned out of the school. In our part of the country, the magistrates are out to realise every year, and this year too, a sum of Rs. 200, 400 or 500 from each gun license holder. You may judge the agony of the people who hold these gun licenses for the protection of their lives and honour, particularly in these days when dacoits and thieves are out to loot the people. At present the authorities there have declared through their agents by beat of drum that every one in the rural area paying a chaukidari tax of one rupee shall have to pay to the tune of Rs. 20 for the purchase of the certificates and the same is the case with the urban people who are paying municipal taxes and in case they do not obey the orders they will be harassed in all possible ways unknown to human law. Recently in the province of Bihar, in the district of Sonthal Parganas, the S.D.O. of Rajmahal addressed a meeting at Sahebganj. After addressing the meeting, the Sub-Divisional Officer Rai Sahib R. Prasad asked two merchants Sitaram Bharthia and Banarsi Lall Bharthia of Sahebganj, to pay Rs. 10,000 each for the purchase of the National Savings Certificates. The poor merchants offered Rs. 1,000 and they deposited it subsequently but no heed was paid. A Sub Deputy Magistrate and the District Supply Officer were sent to inspect their factory and they went there and demanded their registers showing the supplies of articles to the military authorities. They refused on the ground that these registers were confidential and secret and nobody could see them except the military authorities. However a notice was served by the Sub-Divisional Officer under section 13 read with section 12

The Honourable Sir Jeremy Raisman (Finance Member): On a point of order. I understood that the basis of this motion was that officers under the control of the Central Government had exceeded and misused their powers. I should be quite unable to deal with cases of the kind which the Honourable Member is now discussing and I suggest that they are not strictly germane.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Mover must confine himself to action taken by the agents of the Government of India. Otherwise he will not be in order. I admitted this motion because it was the Honourable Member's contention that the agents of the Government of India were misusing their powers.

Nawabzada Muhammad Liaquat Ali Khan (Rohilkund and Kumaon Divisions: Muhammad Rural): The gentleman Mr. Abdul Ghani is referring to is the local leader of the National War Front, which is a Department of the Government of India.

The Honourable Sir Jeremy Raisman: No, Sir.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must confine himself to the conduct of agents of the Central Government who have misused their powers.

Maulvi Muhammad Abdul Ghani: In Bihar, the officers of the Central Government, the Income-tax Officers and officers of the Central Excise and Salt Department are doing the same thing. Income-tax Officers give a threat to the people that if they don't purchase these certificates, their tax will be enhanced. Under fear of that threat, the people have to obey their orders.

The Honourable Sir Jeremy Raisman: Will the Honourable Member furnish me with information of any case of that kind?

Maulvi Muhammad Abdul Ghani: I have been given this information by my constituents and it is very difficult for me to hunt out particular cases.

The Honourable Sir Jeremy Raisman: It is much more difficult for me.

Maulvi Muhammad Abdul Ghani: I will just cite the case of people working under the National War Front which went up to the Patna High Court and I will place before the Chair what the Patna High Court said on this subject and then resume my seat. I was citing the case of the National War Front which is directly under the Government of India.

Mr. President (The Honourable Sir Abdur Rahim): Are the employees of the National War Front canvassing for the sale of these National Savings Certificates?

Maulvi Muhammad Abdul Ghani: Yes, Sir; that is exactly the point. I was referring to the case of the meeting held by the S.D.O. of Rajmahal under the National War Front at Sahebganj in the district of Sonthal Parganas in Bihar on the 5th or 6th February, 1944. Now, on the refusal of the two persons to subscribe to the tune of Rs. 10,000 each for the purchase of the National Savings Certificates, a notice was issued to them that they shall be prosecuted under section 13, read with section 12, of the Ordinance No. 35 of 1943. When they were so ordered, and a proceeding was started they went up to the High Court of Patna and the worthy High Court observed as follows. Justice Meredith in quashing the criminal proceedings against these two persons observed:

"The learned S. D. O. holds the title of Rai Saheb, an honour which he has, no doubt, earned as a faithful and efficient servant of the Crown. He is, however, like all judicial officers, also a servant of the public. He is more than that: he is also a servant of an ideal—that ideal is the Rule of Law—a principle that stands above principalities and powers. Let him not forget it."

He further observed:

"If it is the function of the court to punish wrong-doers, it is no less its function to guard and protect the private citizens from an arbitrary or illegal action on the part of the executive authorities. In this country the magisterial courts are under the direct control of the district executive authorities; frequently the judicial and executive functions are combined in the same individual. When he is in this responsible—some might say invidious—position, it is of utmost importance that he should scrupulously avoid even the appearance of using the courts, of legal process, not in protection of the subject from executive vagaries but to support them."

Mr. President (The Honourable Sir Abdur Rahim): Is that the judgment of the Patna High Court?

Maulvi Muhammad Abdul Ghani: Yes, Sir; it is the judgment of Justice Meredith of the Patna High Court.

Before this case, other cases were brought to the notice of the Patna High Court in connection with the National War Front. There was a case before Justice Manohar Lall and Justice Aggarwal also, and they made serious remarks with regard to these mal practices, but the agents of the Government of India did not pay any heed to those remarks and therefore we have a right to censure the Government of India. With these few words, I move my motion.

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

"That the Assembly do now adjourn."

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I should like to say a few words in connection with the constitutional objection . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must confine himself to what is happening in Bihar because the motion relates to the use of force and illegal and unfair means on the public of Bihar.

Mr. K. C. Neogy: I have no particular instance to which I can refer on the strength of my own information from that province, but I should like to deal with the constitutional point that has been raised by the Honourable the Finance Member in this connection. The Honourable Member's point was that the Government of India can be called to account only for such behaviour as the officers of the Government of India employed in the provinces might be considered to have been guilty of. But the Honourable Member himself would admit that the raising of loans—the war loans, the National Savings Certificates drive and so on—has nothing to do with any Provincial Government. If one goes through the Government of India Act, one does not come across any single provision there which authorises the Provincial Government to raise loans of this character. If they were provincial loans, I can understand the point made by my Honourable friend. In so far as these loans are authorised by the Government of India, every one who is engaged in the collection of subscriptions to that loan must be deemed to be an agent of the Government of India, and we are entitled to criticise the action of these agents as if they were directly responsible to the Honourable Member himself. Not merely that, I have my Honourable friend's own authority for stating that the Central Government would not disown the direct responsibility for the procedure that is being followed in the provinces in this regard. I would draw my Honourable friend's attention to a certain statement which he himself made in this House on the 10th November, 1943 in the course of certain interpellations on a very much similar subject.

A suggestion was made by my Honourable friend to my right in the course of a supplementary question that a procedure might be laid down by the Central Government in regard to these measures so that the Provincial Governments might follow that particular procedure uniformly throughout India. The following is the reply to that particular suggestion, by the Honourable the Finance Member:

"It has been found in practice that a uniform procedure prescribed by the Centre is not the best way of getting results (*my Honourable friend is very anxious to get results, I take it*) and our practice is to discuss the matter with the Provincial Governments and take into account their advice as to the best way to proceed; and so there will be differing features in different provinces."

How, in the face of that statement, he can disclaim any responsibility in regard to this matter, is something that passes my comprehension. There must have been discussions between my Honourable friend's Department and the Provincial Governments concerned in regard to the procedure that the Provincial Governments are expected to follow in the raising of these loans; and if we find that in practice a particular procedure has been followed, of the kind to

which reference has been made by my Honourable friend from Bihar, we are definitely entitled to call the Honourable Member to account.

The Honourable Sir Jeremy Raisman: I have just been reminded by the ex-Governor of Bihar that the Bihar Government refused to accept the Central Government's suggestion about the procedure.

Mr. K. C. Neogy: I am not surprised by that information having regard to the personnel of the authority mentioned. But, Sir, it is not merely that the Central Government cannot disown their responsibility for the enforcement of a particular procedure in the province, but my complaint goes further. My Honourable friend has not done anything to discourage the use of these methods in the provinces although, time and again, complaints have been voiced in this House that *zulum* was actually being perpetrated in the name of getting voluntary subscriptions from the people. This is what the Honourable Member said with reference to some allegations brought to his notice about the *zulum* practice. I am again quoting from him:

"It must be recognised that in embarking on a drive and exercising as much influence as one can in order to induce small savings, there is bound to be a certain amount of room for allegations of that kind, but I would suggest to the Honourable Member that if we are entirely to refrain from this effort because of the possibility of such allegations, then we shall indeed be in a serious position."

Now, Sir, I should have expected the Honourable Member to take that opportunity to give a warning to all concerned, to the Provincial Governments and the officers of the Provincial Governments whom he employs as his agents. But he did nothing of the kind. If anything, he indirectly gave an encouragement to the Provincial Governments to go on with their methods because he was anxious to get "results". Sir, I am afraid I have no specific instance that I can quote from Bihar. I shall only read out an instance where a serious allegation is made, and it is reported in today's papers with reference to U. P. from which the Honourable the Home Member hails. As it is a matter of general importance I would beg your leave to refer to that incident, because it is a very serious allegation and the matter is going to a court of law. This would be merely by way of illustrating the point that it is the Central Government that is responsible for this kind of transaction that is taking place, particularly in the Provinces which are being administered under the provisions of section 93 of the Government of India Act. This is a case where a notice has been served by Dr. K. N. Katju, ex-Minister of Law and Justice, U. P. Government, on certain Government officers for the purpose of bringing a suit in due course against the Government. The facts are these:

"On January 16, 1945, Sarju Prasad"—that is the name of the victim—"on account of his inability to pay a sum of Rs. 50, as his contribution towards the defence savings was ordered by the Naib Tahsildar to sit down in a posture which in common parlance is known as 'Murgha Banana' " [I hope the Honourable the Home Member will assist this House by giving an ocular demonstration in order to enable us better to follow the procedure that was followed.] To continue the incident,—"later by his order tied with a rope, and fastened to a door nail. Seeing no effect he ordered him to be beaten with shoes which order one of the peons carried out. Ultimately, after some higgling, the Naib Tahsildar fixed the contribution at Rs. 15, which Sarju Prasad agreed to pay."

I should perhaps now be told on the authority of the Honourable the Home Member that the U. P. Government also refused to follow the advice given by the Government of India. I am waiting for that statement from the Honourable the Home Member.

The Honourable Sir Francis Mudie (Home Member): Yes.

Mr. K. C. Neogy: It has the 'Mudie' touch in both the cases. Now, Sir, having regard to the striking similarity of actions that are being taken in these two Provinces, Bihar and U. P., I am afraid the Central Government has got to be held responsible for initiating uniform procedure so far as the Provinces administered under section 93 are concerned. Otherwise it is difficult to explain the similarity of procedure that is being followed in these two Provinces.

The Honourable Sir Francis Mudie: No similarity.

Mr. K. C. Neogy: I have reason to believe that in a very decent proportion of cases where large amounts are subscribed, the parties are taking the assistance of Banks for finding the money. What they do is merely to deposit the margin money with the Bank, getting a loan from the Bank for the purpose of purchasing these Defence Savings Certificates. Otherwise they cannot find the money with which to pay for the purchase of these certificates. They pay the Bank's interest at a higher rate than the rate at which interest on these Defence Savings Certificates are payable by the Government. Therefore it is a misnomer to call them national "savings" certificates. In this case the money comes not out of savings, but out of borrowings, thanks to the policy which the Government has enforced for the purpose of getting compulsory subscription. And here again, I would refer to the Honourable Member's observation on that particular day where he said in the course of a reply to a further supplementary question:

"I would remind the Honourable Member that it is widely believed both in this and other countries that compulsory savings are justified in circumstances such as the present."

Of course the question in that connection was the question of compulsory deductions from the pay of Government officers. But then, the statement made by the Honourable Member gives an indication of the working of his mind, when he said that even some amount of compulsion is justified in these circumstances.

Now, Sir, I should like to quote one other instance. A particular case has been brought to my notice. Unfortunately I have not got the papers with me at present. Again it was in U. P. A certain District Officer called upon the Manager of a sugar mill to submit to the officer concerned the pay roll of the factory for the month.

An Honourable Member: It was in Ghaziabad.

Mr. K. C. Neogy: My friend reminds me that it was in Ghaziabad. Certain compulsory deductions were ordered to be made from the payments made to each individual on the pay roll of that concern, including labourers, at rates prescribed by the Officer. This was a peremptory order served on the Manager of the concern. "Send me the pay roll indicating whether you have deducted these sums from the various members of the staff". The Honourable Member should be ashamed to connive at such a procedure. Again, I say, if all these are happening today, it is because of the indirect encouragement which the Honourable Member himself gave to the provincial authorities concerned on 10th November, 1943, when he was expected to give a warning to them saying that the Government of India would not tolerate the repetition of such allegations. That is not the attitude which the Honourable Member took on that occasion; and I do hope he will atone for his past remissness in this matter, by making a statement to the effect that the Government of India would not tolerate any such allegations and that the Government of India would take the utmost care to see that such allegations cannot be made in future.

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, I fully agree with my Honourable friend Mr. Neogy in this view which he has taken that whatever is done by the officers even of the Provincial Governments, when they are executing some work on behalf of the Government of India, then they must be considered to be the agents of the Government of India, because the Government of India ask the Provincial Governments to do a certain thing which they expect must be done. The usual procedure is this. A demand is put up before the Governor of the Province. The Governor passes on the demand to the Chief Secretary. The Chief Secretary probably passes it on to the District Collectors and District Magistrates. These District Magistrates in their turn pass it on to the petty officials ordering them to collect. Now these petty officials are an irresponsible lot. They want to please the District Magistrate. The petty official does everything in a most irresponsible manner. He causes great annoyance to the public. If the District Magistrate is a wise official, it sometimes happens he takes into confidence the leading public men of

the place. He convenes a meeting of the public and he entrusts the entire work to the non-officials and the non-officials are drawn from all parties. They undertake to execute the work. They take the responsibility on themselves. Then there is no complaint that you hear from such cases. Where the district official does not care for the leading public men where he ignores everybody who has got influence in the district, he only takes the help of officials like the tahsildar or the naib tahsildar or people of the National War Front or the members of other organisations who depend entirely on the report of the district official for their promotion for rewards and for everything else. These people go and harass the public. You ask how the Provincial Government is responsible. They are responsible because it is all done for and on behalf of the Government of India.

I will give you one small instance. I do not know much about Bihar, but I have had complaints in my own province that forcible subscriptions are raised, and I did not know that the Government of India are getting any subscriptions. But some poor milksellers came to me and said that they had been forced to pay a sum of Rs. 3,000 as subscription. They formed a very small colony of 14 or 15 and I did not understand why they should have been asked to pay this amount of Rs. 3,000. They said it was at first fixed at Rs. 5,000, but it was reduced to Rs. 3,000 and they were applying for a further reduction. And on my asking them I was told that not only they but the entire city was asked to collect in this manner a sum of 20,000 or 10,000 from different sections of people,—sweetmeat sellers so much, pedlars so much, banias so much, ration-shop keepers so much, and so on. I made an inquiry and fortunately on the very next day one of the officials concerned in this collection came to see me. On my pointing this out to him and telling him that Government would get a bad name by this forced collection of subscriptions, he said that it was not a subscription at all but a loan which they were taking for the Government of India. That was of course satisfactory so far as he was concerned, but the people from whom the money was collected could not distinguish between a loan and a subscription.

Sir Cowasjee Jehangir (Bombay City: Non-Muhammadan Urban): Did they get a certificate?

Sir Muhammad Yamin Khan: Yes, sometimes but not at once.

Sir Cowasjee Jehangir: Have you any case where money was taken and no certificate was given?

Sir Muhammad Yamin Khan: No, that is not my allegation. My point is that these poor people do not know whether they are paying a subscription or giving a loan, or whether the receipt is one for repayment. And they are not even told clearly that it is a loan. If they understood that it was a loan which would be repaid with interest, they would not resent it so much, but that is not done. They are forcibly made to pay and some say they had to sell their cows and some had to borrow from the bania to whom they supply milk. This brings discredit on Government and creates discontent which is the worst thing that can happen in time of war. I know that during the last war I had to collect the first subscription in my province. I had an idea of collecting Rs. 30,000 but I collected 1 lakh and 67 thousand in my district, and the people gave quite willingly. No one was forced to pay anything. In the very first meeting that I addressed I collected Rs. 80,000, with the utmost good-will from the people. You have to infuse the spirit and tell them where the danger lies, and then they will willingly subscribe. But that spirit is not created. If a *hukum* is given it makes Government unpopular and creates discontent. If it is done in the proper spirit there will be no agitation. If any one does not want to pay, he should not be forced to subscribe. Why force a man to pay Rs. 15? If the case that a man was forced to pay Rs. 15 instead of Rs. 50 is true, I think the Naib Tahsildar was a most unwise person. He made himself ridiculous for this Rs. 15 and got a notice from a lawyer.

The Honourable Sir Francis Mudie: Sir, may I point out that this case has not been proved against the Naib Tahsildar? It is the allegation of Dr. Katju, that is all.

Sir Muhammad Yamin Khan: I shall be happy if it is wrong; at least in my province I do not like this kind of thing. But there certainly are many cases of forced payments and it is not properly explained that they are loans. And they are taken from people who cannot afford to raise the money but have to borrow it at high rates of interest—six, seven, eight per cent.—and you know the poor villager cannot borrow at anything less than 2 per cent. per month compound interest, which comes to something like 40 per cent. And from you he gets only 2 or 3 per cent. The man is practically ruined. I know of course that farmers have made some money these days on account of the high prices of their commodities, but all are not farmers; there are many farm labourers.

The Honourable Sir Jeremy Raisman: But the milkmen have not done too badly, in my personal experience.

Sir Muhammad Yamin Khan: They have suffered very badly. A buffalo which used to cost Rs. 60 now costs Rs. 500, and in order to feed him you require now more than Rs. 3 a day instead of Re. 1 a day as before. In the big towns where there were 500 buffaloes you do not nowadays get even 50; they have all gone. Does the Honourable Member know that instead of cows these buffaloes are being slaughtered in the big towns on account of meat for the army, because a buffalo which sold for Rs. 10 or Rs. 20 now fetches Rs. 200? And the contractors are getting these animals killed for meat. So the milkman is not a gainer; he has suffered badly because he cannot increase his income. And there are other people too. The zamindar, my class, in my province has badly suffered; he cannot increase his rent by one penny, and his expenses have gone up five times. He is a ruined man these days. He lives from hand to mouth and he has had to discharge a lot of his servants. But to keep up appearances he has to borrow money and invest in these loans. He is therefore a great sufferer. So I say that because the Honourable Member's responsibility is there he must issue instructions to the Provincial Governments that nothing should be collected without the good will of the people. They must not force anybody to subscribe. There should be propoganda, but the actual collections should not be made in the way in which it has been done in the provinces in the past. I know that among the non-officials there are many zealous people who, in order to gain their own objects and to please the district officials, go to even greater lengths than the officials themselves. These non-officials are those who want some sort of a favour from the district authorities—for instance, a ration shop, monopoly for selling salt for the whole town, or some other contract—and in order to show their *kar guzari*, they cause terrorism amongst the people. These people are most hated in the towns and in the districts, and there are the persons who bring bad name to the Government. Such people have no following and they lose no opportunity; they want to become rich quickly and so while the war is on they try all their methods. Therefore, I say, Sir, that if the District Magistrates would take influential and leading people into confidence and ask for their help and co-operation, many of the difficulties would come to an end, and there will be no trouble whatsoever. It is wrong to say that Congress people should not be invited for such help and co-operation. It is there where you make the mistake

Mr. President (The Honourable Sir Abdur Rahim): Honourable Member's time is up.

Sir Muhammad Yamin Khan: With these words I support the motion.

Sardar Sant Singh (West Punjab: Sikh): Sir, the Provincial autonomy has become the saving feature of the bureaucratic Government at the Centre. Whatever evil is done, it is shoved on the Provincial Government, and whatever virtue results, it is claimed by the Central Government. In matters that are directly connected with the Central Government—for instance, this very scheme for compulsory savings—the Government tries to take shelter behind the plea that every evil deed that is being done is done by the servants of the Provincial Governments. Sir, when the Honourable the Finance Member said that

Bihar Government did not agree with the instructions of the Central Government, and also the United Provinces Government did not agree with the instructions of the Central Government, I was reminded of a historical story. It is this: Mahmood Ghaznavi conquered a large part of the country over which he was ruling. One day a man was killed. His widow went up to the King and asked him to protect her. Thereupon the King replied that the place of murder was at such a great distance that he was unable to reach the murderers. The retort came, 'why not give up that portion which you cannot conveniently rule'. This is what the widow told the King at that time. May I ask the Honourable Member whether he would also not do the same if he cannot control the working of his loans and levies he will give up the provincial agency and use his own agency to familiarize the people about what he wants to be done? Why not take the censure on himself when he has used the Provincial Governments as his agents to do the job for him. "Because the Provincial Governments are guilty of evil deeds, therefore the Central Government is virtuous"—is a line of argument one fails to appreciate—

The Honourable Sir Jeremy Raisman: I have suggested to the Provincial Governments that they should allow this to be done by the Central Government, but not all Provincial Governments agree.

Sardar Sant Singh: When they do not agree, withdraw the power from the Provincial Governments. There is not much commonsense needed to find out the way of doing it. If the Provincial Governments do not agree to your methods, then say that you do not want to use the Provincial Governments for this purpose, because it is the Central Government who want these certificates to be purchased. I am one of those who believe that in order to meet the inflation, which has resulted from his printing too many notes, something must be done. The principle that he has adopted is sound, but the method which has been adopted to put it into practice is so abominable that it looks as if the Government of India is out to terrorize people under various excuses. The policy behind it is that you terrorize people. You do not want the people to be independent in their action with regard to their own property. That is the conclusion at which we have arrived. So many instances have been given by Honourable Members from other provinces. In the Punjab it is a part of the revenue collection; they get Rs. 25 per square from each zamindar for these saving certificates. The headman of my village approached me for Rs. 50 for my land and told me that this is the rate fixed by the Government. I told him, "If you want money for saving certificates, I will give you much more than that; Rs. 50 is a small sum for me. You had better tell your Tahsildar". The Tahsildar came to me and said, "You have set a bad example; the whole countryside will refuse to pay". I paid Rs. 50 because I did not want him to get a bad name. But there is no doubt that it is a common complaint. Instead of winning the love of the people Government is estranging them. It is playing into the hands of those who want Britishers to quit India. I wonder why they should censure the Government when it helps their cause. I think this is the best help Government can give. Government's methods are not democratic; this democracy and talk of freedom is all bosh—it is a big fraud. If Government of India cannot manage the Provincial Governments to do their job—which is a good job—by propaganda and by persuasion, Members of the Government are not worth the job which they are holding, and are not worth the salt which they are eating of this country. The net result is, we ask the Government to call off this collection; that is what we demand from it if there is any pretence of democracy at all—the Government of India says—we represent nobody. At any rate we represent some electorate who have voted for us, but may I know whom do the members on the Treasury Benches represent? There is not a single vote behind them and the country will be too glad to get rid of them. Therefore, I say that if the right thing cannot be done in the right manner, the Government is not worth governing this country. It is not the cause itself, but the way in which that cause is carried out which is of greater importance. A virtue done in the wrong way will get you bad name, but if an

[Sardar Sant Singh]

evil deed is done in a good way, you will get some applause for it. The Government of India forget that the procedure and the method are more important than the cause itself. Therefore, I will support this motion and throw the responsibility upon the Central Government for all the evils that have resulted in the collection of this loan.

Mr. Jamnadas M. Mehta (Bombay Central Division: Non-Muhammadan Rural): Sir, it is most satisfactory to me that the debate has gone on on a very good and high level. Nobody has objected to the Government raising loans or otherwise raising money for the conduct of the war. This is most satisfactory to me, and I hope the speeches that may be made hereafter will conform to the standard laid down by my Honourable friend, Sir Muhammad Yamin Khan, who collected Rs. 1,67,000 in the last war. Am I right?

Sir Muhammad Yamin Khan: Yes. In one collection.

Mr. Jamnadas M. Mehta: I am glad to find that he did meritorious duty last time and everybody was pleased.

Sir Muhammad Yamin Khan: I think so.

Mr. Jamnadas M. Mehta: He thinks so. If he remembers his own time there were enough detractors . . . (Interruptions.) Nobody wishes to pay money.

Sir Muhammad Yamin Khan: Probably they told you.

Mr. Jamnadas M. Mehta: Nobody wishes to pay money. He had enough detractors before he got his Knighthood. But I wish that you did collect easily. I do not mind.

Mr. Manu Subedar (Indian Merchants' Chamber and Bureau: Indian Commerce): Are you jealous of the Knighthood?

Mr. Jamnadas M. Mehta: No, Sir. When it comes to me I will transfer it to you because you are a long aspirant for it. You are sailing under false colours by sitting on those benches.

Mr. Manu Subedar: Even a G.C.S.I. would not tempt me.

Several Honourable Members: Order, order.

Mr. Jamnadas M. Mehta: I am now speaking. Let him not interrupt. For one thing that he gives me I will give him ten!

Mr. Bhulabhai J. Desai (Bombay Northern Divisions: Non-Muhammadan Rural): I must rise to a point of order. He must address to the Chair.

Mr. President (The Honourable Sir Abdur Rahim): I must insist on the Honourable Member addressing the Chair when speaking.

Mr. Jamnadas M. Mehta: I am glad that the Honourable the Leader of the Opposition has risen to a point of order. I am also of the same opinion. When you conduct a war, loans are necessary otherwise inflation will ensue. Therefore in time of war you first tax and then you raise loans. I am happy that every speaker here has confined himself to the wrong methods of raising loans. I am with them in that. So far as the raising of loans by wrong methods is concerned I am entirely with the Honourable Members who have spoken.

My submission is that in this country of 40 crores of human beings, there are only 30 lakhs of people who can contribute anything. If the Honourable the Finance Member will examine the number of income-tax payers and add to them the number of big zamindars, the number of people who can possibly buy loans will be found not to exceed 30 lakhs of people, and I think that any more person who has paid has been subjected to some sort of coercion. That is my submission to the Honourable Member and to the House.

In the city of Bombay when this question of raising loans and war bonds and certificates came before the National War Front, I told the leader and all the members that so far as the propaganda for raising money from the poor was concerned it would be a misdirected effort and I am glad to say that the leaders of the National War Front agreed with me and they have not, to my knowledge, carried on a campaign for getting war loans, certificates or bonds amongst the

poor. I do hope that the other war fronts as well as the Government machinery will bear this in mind. In this poor country barely 30 lakhs of people or a little more are in a position to pay. The middle-class today is ruined beyond redemption. Never earning more than 30 to 40 per cent. of what they earned before the war, they have today to live a life that has become 400 per cent. more costly. Therefore the middle class is incapable of paying any war subscriptions, war loans or certificates. The peasants are already in debt to the tune of Rs. 1,000 crores—a little less or a little more. I do not think an indebted man can buy loans: The industrial workers, except in some textile mills, have not got more than 40 to 50 per cent. of dearness allowance and they have to pay 400 per cent. higher for their living. Therefore, only a few in this country can pay for war loans, war bonds, cash certificates or anything. The figures which are given at the end of the page accompanying the memorandum of the current year's budget on page 28 confirm what I say. Out of a total public debt of Rs. 2,000 crores, the certificates do not amount to even Rs. 30 crores. In post office defence and saving certificates, what was Rs. 59 crores in 1938-39 is Rs. 41 crores today—Rs. 18 crores less. That shows that the poor and the middle-classes have not been able to save and they have found it necessary to withdraw Rs. 18 crores during the last four or five years to keep the domestic fires burning.

I am however quite willing to give the Honourable Member the credit that he never intended to use immoral pressure. In the last war the head of the Province of Bombay encouraged the "use of pressure and persuasion". This was in 1914-18. This is a bigger war. The amount needed is greater. Naturally the Government must keep a watch over their subordinates. If this kind of pressure will continue and the poor will be more unhappy than they were ever before.

I do not mind if the contractors pay. I do not mind anybody who gets any benefit from Government pay. I am willing to pay. Those who are making money in professions—medical, legal or any other—should also pay. Business men and industrialists should pay. Other rich men should pay. Big zamindars should pay. All of them should be asked to pay and pressure exerted on them would be legitimate. The granting of titles should be made more costly. To all that I am agreeable. Every man who can afford to give to a loan or buy a certificate should do so. It is in his interest. It is for the benefit of the masses. It is in the interest of the war effort. Therefore every honest effort in favour of raising money from those who can afford to pay is not only justified, necessary but must be encouraged by this House.

As far as these middle and poor classes are concerned, they are hopelessly incapable of paying a single pie and no attempt should be made either through the Central Government agency or through the Provincial Government agency. Under the Government of India Act, 1935, the peace and tranquility of the country is the concern of the Governor General and war needs are for preservation of peace and tranquillity. Therefore, I do not see why the Central Government is not entitled to use every pressure where it can be legitimately exercised. But I do believe that a good deal of improper pressure, particularly on the poor and middle classes has been used, will be used, unless proper control is effectively exercised by the authorities concerned.

The Honourable Sir Francis Mudie: Sir, I understand that some arrangement has been come to about the timings of subsequent speeches. So I will not keep the House longer than necessary. I feel that I must disabuse the House of any opinion they may have formed of Bihar officials, particularly as the incidents quoted occurred in 1944. I was acting Governor at the time and I happen to know a good deal about how the loan was collected in Bihar. The greatest success was in the district of Purnea, where the method,—or a similar method—recommended by Sir Yamin Khan was employed. A committee was formed in each police thana (there are no fahsils in Bihar) consisting of local

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zamindars and *raises* and people representing the tenants. They fixed the amount which each person was expected to subscribe. The Sub-Divisional Officer visited the police station on a given day and these people came and paid the subscriptions before him to ensure that what they paid went to the war loan. That method was extremely successful. This scheme was explained to other collectors and they were told "Here is how to do it. Here is the way you get the money". One of the things on which particular stress was laid was the point raised by Sir Muhammad Yamin Khan that the subscribers should be told that what they were paying was not a *chanda* but a loan. The interesting thing was that in one or two districts in which that was not done (perhaps the District Magistrate was too lazy or something of the sort) the amount raised was comparatively small. These districts (the districts which subscribed little) were the districts from which complaints came. We found, the Government of Bihar found (and for that matter U. P. also) that it did not pay to encourage methods of the kind which are alleged today. They were the last things that any Government would encourage. So much for the officials in Bihar.

Now as to my friend the Finance Member. The Finance Department as the Finance Member has said, had a scheme of sending their own agents into provinces who would collect subscriptions direct without reference to the local officials. But I think most of the provinces (at least two I know certainly) objected. For one thing they did not think that that would be successful. It is fundamental, as Mr. Jamnadas Mehta explained, that we must be successful, otherwise prices are bound to go higher and higher. They thought that while they would be able to control their own officials this would not be possible in the case of the Finance Department agents. If they started monkeying about—taking the money or any thing of that sort—the Provincial Government would not be able to control them. This business of getting these loans is bound to be abused occasionally. Provincial Governments would rather have this work done by people under their own authority and control. So that they could prevent things happening as alleged. The last people who are responsible for these things are the Finance Department of the Government of India. To repeat, in Bihar these methods are strongly discouraged and in fact were unsuccessful. I am sure the case is the same in the U. P. In as far as agents of the Provincial Government were employed they were employed not as agents of the Government of India. The reason why the Provincial Governments took the responsibility was to prevent things of this sort happening.

Nawabzada Muhammad Liaquat Ali Khan: Mr. President, although the motion, which is under discussion, refers to a particular province in India, I am sure it is within the knowledge of every Member of this House (including the Honourable the Home Member) that the allegations that are made in the motion are true throughout the country. The methods that are being used by the agents of the Government are, to put it very mildly, most objectionable and no civilised government would be proud that its agents should be using the methods that are being used to induce people to invest in the National Savings Certificates. Sir, we were told by the Honourable the Finance Member that the Government of India had put forward a certain scheme for the consideration of the Provincial Governments, by which this business would have been carried on under the control and authority of the Central Government and then they would have been in a better position to know what was being done. The Honourable the Home Member has given his reasons as to why the Province, where he was the head, did not accept that scheme and he has told us that it would have been difficult for Provincial Governments to exercise supervision over the agents of the Central Government, if they started monkeying. But from the information that is available and the personal experience of practically every Member of this House, the Provincial officers have been monkeying and denkeying more than anyone else. It seems to me that the concern of the Provincial Governments was that if there were to be any perquisites, they should go into the

pockets of the Provincial officers and not into the pockets of the Government of India agents and that appears to be the chief reason which the Provincial Governments had in rejecting the scheme which was proposed by the Government of India.

This drive for investing in National Savings Certificates can be justified on the ground that there is a great deal of inflated money in the country and it is necessary that that money should be invested in loans, so that the bad effect of inflation may be mitigated. Now, Sir, it will be admitted by every Honourable Member of this House that more than 75 per cent. of this inflated money is with the contractors of the Government of India, with the bribe-takers of the Government and with the black-marketeers working under the protection of the Government. Therefore if the intention is really to get all this money, then these are the three sources that should be tapped and only then you can get a large portion of the inflated money invested in war loans or in National Savings Certificates, or whatever you might like to call them. What happens? As the saying goes, money talks but in this country it not only talks but does lots of other things also. These people are quite secure. The burden falls on those classes of people who can least afford it. I can give one instance after another and I submit, Sir, that what is true of the Province of Delhi or U. P. is true of the Province of Bihar, because the methods are practically the same all over the country. What happens is this. It is the poorer classes that are being harassed and they are being victimised on account of this policy which is being pursued. I will give you one instance and I think every Honourable Member of this House would be or should be shocked, if he has any decency in him. There is a certain orphanage and the manager of the orphanage applied for ration cards for the children in his institution. He was asked to invest so much money in National Savings Certificates before the ration cards could be given. For three days there was no ration card given to these boys, till this manager had to write to the highest authority in the province and then and then only he was able to get ration cards

The Honourable Sir Jeremy Raisman: Where did this happen?

Nawabzada Muhammad Liaquat Ali Khan: In Delhi.

The Honourable Sir Jeremy Raisman: Will the Honourable Member give me the names?

Nawabzada Muhammad Liaquat Ali Khan: I will: he might not like me to give the names here, but I shall give them to him later. These are really the methods that are being employed, which cannot bring any credit on any government in any land; and it is causing a great deal of hardship to the poorer classes: the richer classes do not matter: what does it matter to a man, whether you ask him to subscribe one thousand or two thousand or ten thousand when his bank balance is ten lakhs? It is immaterial. But if you ask the poor man to subscribe even five rupees, and he is either in debt or has no savings, or even if he has savings to the extent of twenty rupees—he cannot afford to subscribe even five rupees to your loans. I submit that the time has come when the Government should not be complacent about it. The time has come when they should take note of all these allegations and should not be satisfied only by saying "These are only allegations", but every allegation that is made is true; and I ask all those Members who are sitting over there, if they are convinced that no such treatment is being meted out to the people, that no such action is being taken, if the majority of those Members will stand up in their places, Mr. President, and put their hands on their hearts and say that all this is false and everything is above board

An Honourable Member: They will do it!

Nawabzada Muhammad Liaquat Ali Khan: Then I shall ask my friend to withdraw the motion. But it is not a fact. You know it; everyone knows that you are conniving at it; and that, I submit, is really the saddest part of the whole thing—that everybody knows about it: they know that people are suffering, they know that their underlings are using these methods and yet no action is being taken. They only believe in the end and it does not matter to

[Nawabzada Muhammad Liaquat Ali Khan]
 them what means are being used; and this is a very wrong policy, even for this Government, to adopt.

Sir, as you have said, I do not want to give many instances from various other provinces, because as the motion says, it refers only to Bihar; but I think that if some Members from Bihar had opportunities to speak they would have been able to give you many more instances; and all these instances are true all over. All that I would like to say is this, that the manner in which the drive for small savings is taking place in this country is driving the poor mad; and every drive that is made drives so many nails in your coffin. Take care before it is too late.

Sir Cowasjee Jehangir: Mr. President, I think there is a little confusion between two kinds of drives: one is the small savings campaign and the other is subscriptions to Government loans.

Nawabzada Muhammad Liaquat Ali Khan: I am referring to the small savings drive.

Sir Cowasjee Jehangir: With regard to the small savings scheme, so far as the City of Bombay is concerned, it is the appointment of non-official agents by non-officials; and I would be most grateful if I could get an instance of any *zoolum* exercised by a non-official agent in the city of Bombay; they have 600 now.

Nawabzada Muhammad Liaquat Ali Khan: How can a non-official exercise *zoolum*? He has no authority.

Sir Cowasjee Jehangir: In the city of Bombay there are 600 non-official agents appointed by non-officials—they are appointed by me. I have taken this upon myself and I have scrutinised the list and I see that each agent is recommended by a respectable man. So far as the province is concerned, I believe the Government of Bombay has refused to allow a Government officer of any class to be appointed as agent. But it is possible that certain Government officials have been asked to appoint non-official agents. If any instance can be given of tyranny of this kind, not only would I not resent it—I have nothing to do with the province of Bombay, I am only concerned with the city—but I would certainly take it up. I have heard these allegations constantly and I agree with my Honourable friends that many of them are true; and I also agree that any *zoolum* exercised against the poor man to subscribe to the war loan is not only wrong and immoral, but does the greatest harm not only to the man but to Government; and I give away no secret when I say that when my opinion was asked I did say that the poor man should not be approached. There are certain men of the labouring classes in this country who are getting very high wages, but they are very few; and in Bombay I believe they fairly willingly subscribe; the figures show we are going up by leaps and bounds. But in the province as a whole, I should not think that applies; and if this system of appointing non-official agents has turned out a failure in the province it will be most disappointing. They are most of them non-officials. Even the Government of India lately ruled—I do not know whether the Honourable the Finance Member knows it—that Government of India officials should not be appointed in Bombay as agents. I think that ruling has now been withdrawn; but at any rate, notwithstanding any precautions that the Government of India may take, this thing will go on, unless the heads of districts are instructed that it is their responsibility to see that their subordinates do not exercise *zoolum* and that every case of *zoolum* brought to their notice will be investigated by the head of the district; and unless that is done, you will not get any improvement. When the head of the district comes to know of a case and he does not investigate it himself, the subordinates get encouragement and I will not be surprised to find cases where small subscriptions were obtained under the plea of being subscriptions and no certificate was given and the money was actually pocketed. Some cases of that sort may even be discovered. When you go and collect by little more than persuasion even ten rupees, and the poor man does not know whether it is a subscription or a loan, the man getting that loan can very well turn it to a subscription to his

own pocket. Therefore, care has to be exercised and I think personally that district officers can exercise a more beneficial influence than they are doing at present, and the remedy is that the Government of India should write to the provinces to say that such cases have been brought to their notice, that a debate did take place in this Honourable House, and that they expect that such pressure should not be put upon the poorer people. I understand that the Governor of the United Provinces—I do not know which Governor it was—made a statement that he does not desire any pressure to be put by officials or non-officials upon people in the United Provinces to subscribe to loans—I think he made that public statement. That is not sufficient. Instructions have to be given to officers that if such a case comes up and it is not investigated, they will be held responsible.

Mr. Bhulabhai J. Desai: Mr. President, it appears from all the speeches which have hitherto been made that there is not the smallest doubt that the substance of the charge for which this adjournment motion is moved is practically admitted in this House. It is perfectly true that there appears to be, so far as the two heads who have spoken here today are concerned,—one is about to speak now,—a great deal of what is called honest intention but it is not known that very often these honest intentions have paved the way to Heaven and that is the situation in which the powers of this country find themselves by reason of the epidemic of the sale of certificates which is taking place throughout this country. And it is time that, while it is *sub-rosa* acknowledged that this is being done and it is openly recognised by this House, steps are taken to prevent the scandal.

To confine myself to the province of Bihar in the first instance, those of my friends who represent that province here have given me more than enough information to justify the charges which are being made and it is no satisfaction to us to merely stand here and say this charge exists. The only satisfaction to us is that by the ventilation of these grievances we trust we will bring some real relief to those suffering from these actions and it is for that reason that this motion has acquired the importance that we attach to it. We find that this country is suffering from inflation. This is not the place to examine the causes and even the precautionary measures which might have prevented it, but as was aptly pointed out by my Honourable friend the Nawabzada a few minutes ago you go to the wrong places to cure the inflation. You don't go to the man who has made the money in the most improper ways. You don't go to the man who gets a share of these improperly made monies. You don't go to the man who has otherwise amassed money, because it is only that which is going to cure the inflation, if it is to cure it at all, but if you go to the poor man who had not made money, in order that you may show results, you must certainly be responsible, because even those with honest intention could not possibly be ignorant of the fact that the middle and the poorer classes of this country have not had the smallest possible benefit from this inflated wealth. It is for this reason that the very drive, as it is called, was in itself a crime, for they must have realised and they ought to have realised that this kind of drive can only result in pressure being exercised on people. In the constituency from which I come I have reports that until the man pays Rs. 5, no assessment receipts are given. If this is the honest method of collecting savings for the purpose of the great war effort, on which so much eloquence was wasted yesterday, then I make a present of it to my friends who were eloquent yesterday. About the Honourable Member for unoccupied Burma, I will only say that self-praise is a very good thing. It is an extraordinary thing for one's soul but when he went on to condemn others in order that he may shine, I think that self-praise is in itself a crime. It is all very well to say 'Oh, Yes, we have been the greatest supporters of the National War Front. We have done the greatest thing in the world and here, lo and behold, we deserve all the gratitude and credit for winning the war'. It is all very well to have these consolations but I do strongly object when he, whether it is relevant or irrelevant, must find an excuse in order to condemn any unfriendly

[Mr. Bhulabhai J. Desai] person, not because he has done an unfriendly act but because he belongs to a different class. I entirely protest against that. I deliberately refrained from speaking yesterday lest I should say strong words but today in the chastened mood in which I find my Honourable friend I give him a caution and a warning.

Sir Cowasjee Jehangir: What is the caution that the Honourable Member is giving?

Mr. Bhulabhai J. Desai: The caution that I am giving is this. Self-praise is allowed but what is disallowed is that you should embellish it to make an irrelevant observation about other people's conduct.

Sir Cowasjee Jehangir: You are throwing stones when you are living in a glass house.

Mr. Bhulabhai J. Desai: I have plenty of stones. I have lived between stone walls which my learned friend will never be able to do.

Sir Cowasjee Jehangir: I am not 'learned'.

Mr. Bhulabhai J. Desai: I know enough about stones, so that let us leave that subject. But I do wish to say that the occasion ought not to be taken to introduce irrelevant issues.

Mr. Jamnadas M. Mehta: Is this relevant?

Mr. Bhulabhai J. Desai: It is perfectly relevant.

Mr. Jamnadas M. Mehta: Not a bit of it.

Mr. Bhulabhai J. Desai: I find you chastened. That is enough service done. To continue what I was saying. In the province of Bihar, the Kosi area suffered a severe epidemic and the Government issued a circular to exempt the people there from this National Certificates drive. But it remains a dead letter and a mere paper and the drive is going on worse than ever before. There is another thing that I can give you. For every rupee of the *chaukidari* tax, the proportion is Rs. 20. So far as the man is concerned, if he pays that, he gets the receipt for the payment of the *chaukidari* tax. Otherwise the receipt remains in abeyance and suspense. I could multiply instances, because they are rampant and occurring all over the country. Let us not therefore, in the name of good causes, excuse offences against the poor man. Let us remember that he is not the source from which you are going to get money which is going to keep down inflation in this country. In the case of the poor man and the middle class man, the expenses have gone high by reason of the very inflation itself, in terms of commodities, whose income has become a third and a fourth. It does not matter what agents you employ, whether it is private agents or public agents. One fact must be remembered. It is the source that you tap that matters and if that is realised I think we have rendered a great deal of service so far as this particular issue before the House is concerned.

I therefore suggest that the charge is practically admitted. It is no use saying—if you give me instances, I will try and prosecute. That you should really need to ask for an instance is itself a half acknowledgment of the charges we have made. I have great respect for my Honourable friend the Finance Member, for his integrity and his straightforwardness. Instead of merely asking for instances, he must realise that the evil has gone so deep, the suffering is so real and the exactions are so severe that this matter must be put a stop to at once. You cannot simply say 'Oh, yes, here are agitators who do not allow the war to be supported.' This is the certificate and this is the kind of excuse under which all kinds of things and all kinds of charges are excused, covered and disguised. We protest that in the name of a good cause people should be asked to do all kinds of things and that in the name of a good cause you can get up and say: "I am the only one who stands for that holy cause and all the rest are condemned". Let us, therefore, separate the cause from the actual manner in which it is being served. The cause is ill-served; it is badly served; it is dangerously served. And the people get into a state of mind and get into a bitterness and they realise that the war is an evil not merely in the largest sense of the term but because of the sufferings which it brings to them. It is

due to your work and your methods that this wrong feeling has been created. Your methods have diverted the people's mind from a really good cause as if it was a bad cause. But you are responsible for it and I hope and trust that the vote of this House on the present occasion would carry conviction to those opposite. If anyone of them is still not convinced, let him remember that time has arrived when it is only the right methods that will prevail, the right methods will succeed and the right methods will reconcile them to the people at large. Sir, I support the motion.

The Honourable Sir Jeremy Raisman: Sir, it was suggested by one of the speakers that there was no difference of opinion in this House as to the goodness of the cause in which these alleged happenings had taken place. Now, Sir, I am not quite sure whether that is correct and I am not sure whether there is even common ground up to that point. If it were so, I should find my task a good deal easier than it is. It seems to me that quite a number of the speakers based their attitude on the assumptions that unless a man is what you may call a rich man, any attempt to persuade him to embark on savings is wrong and that 99 per cent. or more of the population of the country cannot afford to contribute to war loan at all. I am not sure, as I said, whether I could accept that position. I would like to put it another way. Having regard to the well-known economic effects of continued uncontrolled inflation, can the population of this or any other country afford not to contribute to loans which are designed to prevent or mitigate inflation? I would say to my Honourable friend Mr. Jammadas Mehta that if he is to restrict war loan activities virtually to those who can afford to pay and who are assessed to income-tax, then it is useless to criticise the Government for their failure to control inflation because you will not, in my opinion, be able to produce the desired effect by restricting your efforts of persuasion to only the wealthy or the classes which are liable to direct taxation. It must be realised that however deplorable it may be, there has been a very large increase in monetary incomes in areas and among classes who cannot at the present time utilise those incomes either to their own benefit or to the benefit of the country. This is a fundamental point. It applies not merely to India but it applies elsewhere. Why have they been so successful, for instance, in Great Britain in controlling inflation? One of the main reasons has been the success of the small savings drive.

Mr. Bhulabhai J. Desai: I did not wish to go into it and you did not begin early enough.

The Honourable Sir Jeremy Raisman: Well, if the cause is a good one, I suggest it is never too late. However, the point about Great Britain is that people who had never before invested, who had never before been lenders or held bonds or certificates have now in very large numbers, in millions, become small investors. Now, it is not the case that these people in real terms are better off than they were before. As a matter of fact, the average men in England today, the working class, are eating less, they are wearing less clothes and they are getting less of the real rewards of labour. But they are getting either the same or slightly greater amount of money, and if you are to maintain the price level, you must do something to get them into the habit of putting that money aside during the period when it cannot possibly do them any good.

Mr. M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor: Non-Muhammadian Rural): How many of them have died of starvation?

The Honourable Sir Jeremy Raisman: I did not say that they died of starvation. But they have submitted themselves to a condition—I won't call it semi-starvation, but, at any rate, under-feeding—which has enabled them to carry on. So, on that point I find myself somewhat in doubt on the question of principle. I find myself in doubt as to whether this House is at one with itself and certainly with the Government on the question whether it is a salutary process or not to endeavour to popularise small savings. Small savings must be addressed very largely to those classes of the population whom I would call the middle and the poorer classes. It is particularly in those classes that the importance of small savings lies.

[Sir Jeremy Raisman.]

Now, supposing we take, for instance, the figures of agricultural incomes. I am talking now not merely of the incomes of large zamindars in certain areas but of the incomes of the ordinary cultivators. It is easy to demonstrate that very large amounts of money, hundreds of crores more than ever went into the countryside, have been going into the countryside during the last two or three years. That follows simply from the fact that the prices of foodgrains have risen. Now, I know that the expenditure of the cultivator has also risen, but the fact does remain that in the present state of the availability of goods for consumption the cultivating classes of this country cannot spend their incomes wholesomely on what is available for them to buy. They cannot do it because it simply is not there. You have a condition of scarcity of things and plethora of money. In that condition, the man who may be poor and who is living on a very low standard may still be benefited by putting his money aside at this time. It is the first principle from which we begin and on which the whole of our efforts are based.

Mr. T. T. Krishnamachari (Tanjore *cum* Trichinopoly: Non-Mohammadan Rural): It does not exist anyway. That class of people whom the Honourable Member contemplates have really no surplus at all, as things stand today.

The Honourable Sir Jeremy Raisman: The point is this. If you envisage a continual rise in the price level, then of course, at every moment the surplus is taken up by the increase in price of the few things that they want to buy. That will absorb all the money they have. But if on the other hand, you can start a tendency of isolating the surplus money, then the demand will meet the supply with a lower volume of money and there would be savings and to that extent, the price level will be kept down. That is the mechanics of the thing.

Mr. T. T. Krishnamachari: I am telling you that the practical position is there is no surplus so far as my experience in my constituency is concerned which is largely agricultural, one of the largest agriculturist constituencies represented in this House. They have no surplus at all, because the cost of living has risen out of all proportion to the rise in the price of agricultural products.

The Honourable Sir Jeremy Raisman: Here we are involved in a vicious circle. My point is that if you envisage a continual rise in price level, then you will never have a surplus of money to be put aside. But if you can isolate, if you can immobilise part of the money which represents the effective demand, then you can maintain a lower price level. However, I am afraid that is rather getting into abstruse economics. The fact remains, I do believe, I honestly believe, that it is to the good of this country and that nothing is more to their good, I do believe that it is a matter on which all political parties should be at one that we should endeavour to maximise small savings. That has been our object.

On the question of methods my opinion has always been that it is necessary to go out and persuade people and that a high degree of persuasion is necessary if we are to succeed. A high degree of persuasion is necessary. Now, Sir, it is obvious that in the methods adopted to carry out that object, there is a danger that the line may be overstepped when that is your object. I am in the difficult position that I cannot say anything which will discourage the movement for small savings. I cannot agree with my Honourable friend Mr. Bhulabhai Desai that the very drive is a crime. On the contrary I believe that very drive to be necessary.

Mr. Bhulabhai J. Desai: Drive is all right, but the drive as it is done is a crime.

The Honourable Sir Jeremy Raisman: If the Honourable Member agrees with me that a drive is necessary, and he only differs about certain methods, then there is some common ground.

Mr. Bhulabhai J. Desai: They are universal now.

The Honourable Sir Jeremy Raisman: I have at different times indicated the difficulties with which we have been faced in arriving at an agreement with

Provincial Governments as to the best way in which the small savings drive should be pursued. I have tried very hard to get the Provincial Governments to accept the principle that this work should be done by authorised non-official agents who should be remunerated on the results of their work. To a large extent, in many parts now, it is these authorised non-official agents who are doing the work. I think those are the people to whom my Honourable friend Sir Cowasjee Jehangir referred.

Sardar Sant Singh: Only in Bombay.

The Honourable Sir Jeremy Raisman: That is so also in other parts of India. I have before me the actual instructions which have been issued to these agents. It is a fact that I have not until this afternoon seen these instructions. But they are instructions on which the scheme was based and which have been actually issued. I should like to read some of these instructions in order to indicate the detailed instructions and the methods to be followed which have been given by the Central Government. It starts:

"To be successful and to earn a good commission, you must know all about National Savings Certificates and be able to answer all questions promptly and correctly."

It goes on:

"Always give correct replies. If you do not, you will soon be found out and people will not trust you—you will spoil your own market and earn poor commission.

If possible before approaching a person in the hope of selling National Savings Certificates to him, find out—

(a) how he earns his living.

(b) whether he can reasonably save, and whether much or little;

(c) whether he spends extravagantly in any unnecessary manner."

Sir, this reminds me, if I may interrupt the subject-matter for a moment, of a very good story which I heard during my last visit to America which was actually told me by my counterpart in America, that is to say, by Mr. Morgenthau. He himself had been present at a savings drive in a country district and he saw a somewhat surly looking man standing on the edge of the crowd. He did not seem to approve of the proceedings. He addressed himself to this gentleman and said, "Well, have you bought any bonds". The man said, "No". Mr. Morgenthau then said to him "What do you do with your money". The man said, "Well, one-third I spends on drink, one-third I spends on women, and the rest I just wastes".

Well, Sir, the instructions go on to say:

"Do not immediately ask your contact to buy National Savings Certificates. Try to interest him in polite conversation. Explain how expensive everything is to buy, owing to short supplies due to war and the fact that so many people now earn more money, and so by competing for goods force up prices.

Explain that after the war prices will fall. Money saved now will earn good interest and buy more and better goods later, or it will be very useful if trade slackens, or if he should lose his job, or fall ill, or if he has children to educate or a marriage to provide for. Suit your talk to the circumstances of each particular person. If he is known to be extravagant in any way, persuade him to save instead of spending.

Explain how safe an investment National Savings Certificates are. How they earn high interest—Rs. 10 becomes Rs. 15 in twelve years (this is 4.1/6 per cent. a year), but they can be encashed any time after three years; the value for each year is given in the table below.

If your 'contact' can be persuaded to admit that he can save something, try to find out how much he thinks he can save per month, or per week; and when you have left him, make a note of this in a note book. This will remind you to call again once a month or once a week.

If your contact earns wages, try to find out when he is paid and call on him that day or as soon after as possible, and persuade him to save, before he has spent money carelessly."

Sir, I will not weary the House by reading them out in great detail, but the whole point of these instructions is undoubtedly persuasion and indeed this type of agency is not in a position to use anything else except persuasion. His success depends entirely on persuading people to buy these National Savings Certificates, and he will only spoil his own effort if he resorts to force.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is up. .

The Honourable Sir Jeremy Raisman: Before I sit down, all I can say is that as far as the Government of India are concerned, we have never given instructions or any encouragement to the idea of using force of any kind in these matters or undue exercise of official authority.

Nawabzada Muhammad Liaquat Ali Khan: The Honourable Member's speech is enough to encourage them.

Sardar Sant Singh: Will the Honourable Member condemn collection through the revenue collecting or assessing agency?

The Honourable Sir Jeremy Raisman: I would not necessarily condemn them. That is a point on which there are more views than one possible. After all an assessing agency is in a better position to know whether a certain target should be suggested to a zamindar than some one who knows nothing whatever about the district.

Sardar Sant Singh: What about compulsory levy?

The Honourable Sir Jeremy Raisman: I wish I could feel that this House was equally clear that it had no desire to discourage war loan and war savings as I am, that the Government of India have no desire to encourage illegitimate or improper practices of this kind. I would like to feel that the House on its part has no desire to discourage the popularisation of war savings, not merely in the interests of this war but in the interests of the economic health of the country.

Several Honourable Members: The question may now be put.

Mr. President (The Honourable Sir Abdur Rahim): Does the Honourable Mover wish to reply?

(Voices of "No, no".)

The question is:

"That the Assembly do now adjourn."

The Assembly divided:

AYES 47

Abdul Basith Choudhury, Dewan.
Abdul Ghani, Maulvi Muhammad.
Abdul Qaiyum, Mr.
Ayyangar, Mr. M. Ananthasayanam.
Azhar Ali, Mr. Muhammad.
Banerjee, Dr. P. N.
Chettiar, Mr. T. S. Avinashilingam.
Chetty, Mr. Sami Vencatachelam.
Choudhury, Mr. Muhammad Hussain.
Daga, Seth Sheodass.
Das, Mr. B.
Desai, Mr. Bhulabhai J.
Deshmukh, Mr. Govind V.
Essak Sait, Mr. H. A. Sathar H.
Fazl-i-Haq Piracha, Khan Bahadur Shaikh.
Gauri Shankar Singh, Mr.
Gupta, Mr. K. S.
Hans Raj, Raizada.
Hegde, Sri K. B. Jinaraja.
Hosmani, Mr. S. K.
Kailash Bihari Lall, Mr.
Krishnamachari, Mr. T. T.
Lahiri Chaudhury, Mr. D. K.

Lakhichand, Mr. Rajmal.
Lalchand Navalrai, Mr.
Liaquat Ali Khan, Nawabzada Muhammad.
Maitra, Pandit Lakshmi Kanta.
Mangal Singh, Sardar.
Manu Subedar, Mr.
Misra, Pandit Shambhudayal.
Murtuza Sahib Bahadur, Maulvi Syed.
Naidu, Mr. G. Rangiah.
Nauman, Mr. Muhammad.
Neogy, Mr. K. C.
Pande, Mr. Badri Dutt.
Raghubir Narain Singh, Choudhri.
Ram Narayan Singh, Mr.
Ramayan Prasad, Mr.
Ranga, Prof. N. G.
Raza Ali, Sir Syed.
Sant Singh, Sardar.
Sham Lal, Lala.
Siddique Ali Khan, Nawab.
Sinha, Mr. Satya Narayan.
Srivastava, Mr. Hari Sharan Prasad.
Yamin Khan, Sir Muhammad.
Zafar Ali Khan, Maulana.

NOES 40

Ambedkar, The Honourable Dr. B. R.
 Azizul Huque, The Honourable Sir M.
 Benthall, The Honourable Sir Edward.
 Bewoor, Sir Gurunath.
 Bhagchand Soni, Rai Bahadur Sir Seth.
 Caroe, Sir Olaf.
 Chapman-Mortimer, Mr. T.
 Dalal, Dr. Sir Ratanji Dinshaw.
 Dalpat Singh, Sardar Bahadur Captain.
 Ghasuddin, Mr. M.
 Habibur Rahman, Khan Bahadur Sheikh.
 Haidar, Khan Bahadur Shamsuddin.
 Imam, Mr. Saiyid Haidar.
 Inskip, Mr. A. C.
 Ismaiel Alikhan, Kunwer Hajee.
 James, Sir F. E.
 Jawahar Singh, Sardar Bahadur Sardar Sir.
 Jehangir, Sir Cowasjee.
 Joshi, Mr. D. S.
 Kamaluddin Ahmad, Shamsul-Ulema.

Khare, The Honourable Dr. N. B.
 Krishnamoorthy, Mr. E. S. A.
 Kushal Pal Singh, Raja Bahadur.
 Lawson, Mr. C. P.
 Muazzam Sahib Bahadur, Mr. Muhammad.
 Mudie, The Honourable Sir Francis.
 Piare Lall Kureel, Mr.
 Raisman, The Honourable Sir Jeremy.
 Richardson, Sir Henry.
 Roy, The Honourable Sir Asoka.
 Shahban, Khan Bahadur Mian Ghulam Kadir
 Muhammad.
 Spence, Sir George.
 Srivastava, The Honourable Sir Jwala Prasad
 Stokes, Mr. H. G.
 Thakur Singh, Capt.
 Trivedi, Mr. C. M.
 Tyson, Mr. G. W.
 Tyson, Mr. J. D.
 Vaidyanathan, Mr. L. S.
 Zahid Husain, Mr.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Monday, the 12th February, 1945.