

14th February, 1924

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**THE**  
**LEGISLATIVE ASSEMBLY DEBATES**

**(Official Report)**

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**FIRST SESSION**

**OF THE**

**SECOND LEGISLATIVE ASSEMBLY, 1924**



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# LEGISLATIVE ASSEMBLY.

Thursday, 14th February, 1924.

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The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President in the Chair.

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## MEMBER SWORN.

Mr. Arthur Herbert Ley, C.I.E., M.L.A. (Secretary, Department of Industries and Labour).

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## QUESTIONS AND ANSWERS.

### THE SHORANUR NILAMBUR AND THE TELECHERRY NANJANGUD RAILWAYS.

306. \***Mr. Mahmood Schamnad Sahib Bahadur:** (a) Will the Government be pleased to state whether the proposed Shoranur Nilambur Railway line and the Tellichery Nanjangud line have been sanctioned?

(b) If so, when their construction will be taken in hand?

(c) If not, whether the Government propose to sanction them at an early date?

**The Honourable Sir Charles Innes:** (a) The reply is in the negative.

(b) and (c). Sanction to the construction of the Shoranur Nilambur Railway is awaiting receipt of detailed estimates of construction and settlement of terms on which the line is to be worked by the South Indian Railway Company. It cannot be said definitely when construction will be started. The Nanjangud Tellicherry Railway is in the survey stage. It is not yet possible to say whether and, if so, when its construction will be taken in hand.

### THE SHIMOGA BHETKAL RAILWAY.

307. \***Mr. Mahmood Schamnad Sahib Bahadur:** Will the Government be pleased to state what progress has been made in connection with the proposed Shimoga Bhetkal Railway line?

**The Honourable Sir Charles Innes:** The prospects of the scheme are not hopeful.

### ALIENATION OF LAND AT BARRACKPORE TO THE ROYAL CALCUTTA TURF CLUB.

308. \***Mr. T. C. Goswami:** (a) Will Government be pleased to state whether some lands have recently been alienated by the Government of India in the Barrackpore Cantonment to the Royal Calcutta Turf Club?

- (b) If so, will Government further state:
- (i) the total area of the lands so alienated;
  - (ii) whether the land was sold by private arrangement, and if so, why;
  - (iii) whether the lands were at all offered to the public for sale;
  - (iv) the amount of consideration money actually received by Government for the lands alienated;
  - (v) whether any steps had been taken to ascertain what the value of land, if offered for public sale, would probably be in the locality;
  - (vi) whether the conditions of the sale authorised the Turf Club to demolish a temple, standing on the land at the time of the sale, having been erected, with the permission of the Cantonment authorities, in memory of a gallant regiment;
  - (vii) whether the Cantonment Magistrate and the police helped the Club to demolish a portion of the temple;
  - (viii) whether Government are aware of the deep resentment felt by the Hindus against the demolition of the temple;
  - (ix) whether Government have taken, or propose to take, any steps in the matter?

**Mr. A. H. Ley:** (a) Yes.

- (b) (i) Approximately 305 acres:
- (ii) The land was sold by private arrangement because the Royal Calcutta Turf Club were prepared to pay the full market value and were at the same time prepared to agree to conditions reserving certain privileges to the military authorities. Moreover it had been ascertained that the Government of Bengal and certain other possible purchasers did not desire to make an offer.
  - (iii) No.
  - (iv) The land was sold for Rs. 8,10,570 payable in instalments with interest on balances outstanding.
  - (v) Yes. A valuation was obtained from the Local Government.
  - (vi) No.
  - (vii) No.
  - (viii) The Government of India have ascertained that no temple was demolished and that no intention of demolishing a temple was ever formed. The facts of the incident which the Honourable Member evidently has in mind were stated in reply to a question recently asked in the Bengal Legislative Council. I can furnish the Honourable Member with the full text of the question and answer if he has not already seen it.
  - (ix) No. On the information which Government have received, no action is required.

ALLOWANCES OF THE GOVERNOR GENERAL, ETC.

309. **\*Mr. T. C. Goswami:** Will Government be pleased to state:

- (a) What allowances, in addition to his salary, the Governor General received (i) during the past year, (ii) in the year 1918-14?

(b) What is the total amount spent by the State (i) during the past year, (ii) in the year 1913-14, on the personal and household staff, including personal Secretaries, Aides-de-Camp, servants, their allowances and outfit, in Delhi and Simla?

**The Honourable Sir Basil Blackett:** With the Honourable Member's permission, I will circulate the figures.

EXPENDITURE ON GOVERNOR GENERAL'S TOURS, ETC.

310. **\*Mr. T. C. Goswami:** (a) What is the total amount spent by the State on the Governor General's tours (i) during the past year, (ii) in the year 1913-14?

(b) What amounts were spent by the State in repairing, fitting-out and furnishing various houses for the residence of the Governor General (i) in 1910-11, (ii) in 1919-20, (iii) in the past year?

**The Honourable Mr. A. C. Chatterjee:** (a) The tour expenses of the Governor General during 1913-14 amounted to Rs. 3,49,028 and in 1922-23, Rs. 4,06,948.

(b) A statement showing the information asked for is laid on the table.

*Statement showing actual expenditure incurred on the various residences of His Excellency the Viceroy including the auxiliary buildings on the Viceregal Estates under the heads "Repairs to buildings including furniture" and "Fitting out and furnishing residences".*

		Repairs to buildings including furniture.	Fitting out and furnishing residences.
		Rs.	Rs.
1910-11	Simla, Mashobra, Calcutta and Barrackpore	1,63,762	29,765
1919-20	Simla, Mashobra, Delhi, Dehra Dun and Calcutta.	2,58,308	25,498
1922-23	Ditto ditto	3,00,474	40,594

SIKHS IN CERTAIN GOVERNMENT OFFICES.

311. **\*Sardar Kartar Singh:** (a) Will the Government be pleased to state the number of Sikhs in each of the following offices:

- (1) Director General of Observatories,
- (2) Director General of Posts and Telegraphs,
- (3) Deputy Accountant General, Posts and Telegraphs, at Delhi,
- (4) Deputy Accountant General, Central Revenues,
- (5) Auditor General, and
- (6) Director General of Archæology in India.

(b) Is it a fact that in some of the above offices no Sikh Assistant or Clerk has ever been entertained?

(c) Having consideration of the inadequacy of Sikh representatives in the above Departments, are the Government prepared to issue necessary instructions to give an adequate representation to the Sikhs?

**The Honourable Sir Basil Blckett:** (a) Two Sikhs are employed in the office of the Deputy Accountant General, Central Revenues, and one in the office of the Director General of Observatories. No Sikhs are at present employed in any of the other offices mentioned in the question.

(b) The reply is in the affirmative only in the case of the office of the Director General, Posts and Telegraphs, the main portion of which is still located in Calcutta and in which no Sikhs have yet applied for appointment, and of the office of the Auditor General, which was located in Calcutta up to 1912.

(c) The Government do not consider it necessary to issue special instructions. When vacancies occur, the claims of the Sikh community for appointments in the various offices will be considered along with those of other applicants.

#### SIKH HOLIDAYS.

312. **\*Sardar Kartar Singh:** (a) Will the Government be pleased to state whether it is a fact that in the recent orders issued by the Home Department regarding the general holidays to be observed in all the Departments of the Government of India, there is no holiday for any of the Sikh religious days?

(b) If the reply is in the affirmative, will the Government kindly consider the question of granting at least two general holidays, viz., Guru Nanak Dev's birthday and Guru Gobind Singh's birthday?

**The Honourable Sir Malcolm Hailey:** (a) and (b). Under the orders referred to by the Honourable Member 10 closed holidays in the year are granted equally to all members of the establishments in the Government of India Secretariat and in addition each member is allowed six holidays for the observance of festivals of the community to which he belongs. Before these orders were issued members of the clerical establishments, representing different communities including the Sikh community, were consulted. The representative of the Sikh community expressed no desire for a Sikh holiday to be added to the number of general holidays. It is understood that the view held by the Sikh members of the Secretariat establishments was that the additional six holidays for each community would meet their requirements. In the circumstances Government do not consider that the action suggested by the Honourable Member is necessary.

#### THE STAFF SELECTION BOARD.

313. **\*Sardar Kartar Singh:** Will the Government be pleased to state:

- (a) the reasons which led to the creation of the Staff Selection Board?
- (b) the number of departmental lower division clerks passed for the higher grade who have not yet been provided for?
- (c) the number of those who were working as Assistants and did not appear at the Board's test, or failed to qualify, but are still being retained in the Secretariat?
- (d) the steps they propose to take to ensure that the various departments of the Government of India give preference to the

passed men in the matter of officiating promotion or permanent appointments over those who have either not appeared at the Board's test or failed to pass it?

**The Honourable Sir Malcolm Hailey:** (a) The Honourable Member is referred to paragraphs 37 and 38 of the report of the Government of India Secretariat Procedure Committee, of which a copy will be found in the Library.

(b) 31 departmental candidates passed the Upper Division examination in 1920 and 96 in 1922. Their promotion or confirmation must depend upon the occurrence of vacancies in the Departments in which they are employed.

(c) The information has been called for and will be supplied to the Honourable Member when it is ready.

(d) The attention of Departments has on several occasions been drawn to the orders contained in Home Department Resolution No. 2366, dated the 15th September 1920, and every effort is being made to see that the orders are observed.

**Mr. K. Ahmed:** Is there any Muhammadan on the staff of the Committee at present?

**The Honourable Sir Malcolm Hailey:** I think the Honourable Member is perhaps referring to my answer to the previous question as to the members of the establishment being consulted. If so, my recollection is that the deputation which came to meet us on the subject did include a Muhammadan gentleman.

**Mr. K. Ahmed:** Sir, there is a Committee and on that Committee last year there was one Muhammadan who is no longer a Member of this House. Does he take part in that Committee still or is the Government considering the appointment of another member?

**The Honourable Sir Malcolm Hailey:** I see that I was mistaken and that the Honourable Member is referring to the Staff Selection Board. If the Honourable Member desires further information on that subject I think I had better supply it to him separately, because the whole question of the Staff Selection Board is at present under consideration.

#### SURPLUS POSTAL REVENUE.

314. **\*Mr. Jamnadas M. Mehta:** Will Government be pleased to state what would be the approximate amount of surplus, if any, in revenue over expenditure in the Post Office due to the increased rates of postage, etc., and the retrenchments effected during the year 1923-24, and how Government propose to utilise it?

**The Honourable Sir Basil Blackett:** At present the accounts are maintained for the combined Posts and Telegraphs Department but a separate account for the Post Office based upon commercial principles is in course of preparation. Until this is complete it is not possible to say with accuracy what is the relation of expenditure and revenue in the Post Office proper. As regards the combined account, I would ask the Honourable Member to await the revised estimates for the current year which will be placed before the Assembly on the introduction of the Budget for 1924-25.

#### INTERIM RELIEF TO CERTAIN EMPLOYEES OF THE OFFICE OF THE POST-MASTER GENERAL, BOMBAY.

315. **\*Mr. Jamnadas M. Mehta:** Will Government be pleased to state the reasons which led to the issue of orders in November, 1922, for the recovery of the advance of one month's pay sanctioned in Commerce

Department letter No. 2606, dated 21st May 1920, by way of interim relief to the men in the Postmaster General's Office, Bombay, drawing up to Rs. 100, in spite of the recommendation of the Postmaster General, Bombay, to the Director General contained in his letter No. RA1, dated 6th May 1922, to the contrary, pending the revision of their pay.

**Mr. G. B. Clarke:** The position is as follows. A number of clerks in the office of the Postmaster-General, Bombay, derived no immediate benefit from the revision of pay sanctioned with effect from the 1st December 1919 in Resolution No. 7318, dated the 20th October 1920, of the Department of Commerce. These officials automatically came within the scope of the orders conveyed in Commerce Department letter No. 2506, dated the 18th March 1921, and were at the outset exempt from repaying the advance of one month's pay sanctioned in that Department letter No. 2606, dated the 31st May 1920. Subsequently, however, in Public Works Department letter No. 1187-P.W., dated the 19th December 1921, it was decided that the same officials should with effect from the 1st December 1919 be given a pay exceeding by 10 per cent. the pay *plus* war allowance or pay *plus* acting allowance *plus* war allowance drawn by them on that date. As the result of this decision, arrears of pay became due to the officials and it was considered equitable that the advance of a month's pay should be deducted from these arrears as in the case of other officials who derived immediate benefit from the revision.

## UNSTARRED QUESTIONS AND ANSWERS.

### EXPENDITURE ON MAINTENANCE AND RENEWALS ON RAILWAYS.

101. **Mr. K. Rama Aiyangar:** Will the Government be pleased to state, what final decision has been come to, to provide for the expenditure on "maintenance and renewals," referred to in heads 2 and 3 of Statement III of the Assembly Debates, Volume III, page 4085, in the case of (1) paying railways, (2) those that work at a deficit?

**Mr. A. A. L. Parsons:** A final decision on this point has not yet been reached; the details of the Depreciation Fund Account which it is proposed to introduce on railways are now being worked out.

### REDUCTION OF WORKING EXPENSES OF RAILWAYS.

102. **Mr. K. Rama Aiyangar:** Will the Government be pleased to state if the question of "the working expenses of Railways" noted in head No. I, of page 4085 of the Assembly Debates, Vol. III, has been gone into and, if so, what is the reduction expected to be made in the budget of 1924-25 over that of 1923-24?

**Mr. A. A. L. Parsons:** The Honourable Member is referred to the answer which I gave to question No. 37, on 1st February last. The question of effecting economies in the working expenses of railways is constantly receiving the attention of the Railway Board and that of the Railway Administrations.

### MAINTENANCE OF WAYS, WORKS AND ROLLING STOCK ON RAILWAYS.

103. **Mr. K. Rama Aiyangar:** Have the present regulations relating to the maintenance of "Ways, Works and Rolling Stock" been revised as suggested in the Inchcape Report, page 66, and, if so, with what financial results on "Working expenses?"



**Mr. A. A. L. Parsons:** They are being revised but the work is not yet finished.

#### CONSUMPTION OF FUEL ON RAILWAYS.

104. **Mr. K. Rama Aiyangar:** Have investigations been made to reduce the consumption of fuel and to ensure its being got in the cheapest market as suggested in page 67 of the Incheape Committee report? If so, what further reduction in expenditure is anticipated in 1924-25? Will the Government be pleased to state what steps have been taken to control and regulate the consumption of fuel in each railway?

**Mr. A. A. L. Parsons:** The suggestions made by the Incheape Committee on page 67 of their report have been brought to the notice of the Railway Administrations and many of them had already been receiving attention. The Railway Board believe that the Railways are making earnest efforts to reduce the consumption of coal where such reduction is possible.

The policy adopted by the Railway Board in such matters is to watch the working of the Railway Administrations by means of regular monthly statistical information. Comparative statements are prepared from these monthly returns and are circulated to all Railways, and, where necessary, outstanding variations are brought to notice. The statistics on the new basis have only been in force for a few months and it is not possible at present to state in any general terms what economies have been effected.

As regards the cost of fuel, most of the Railways are bound by contracts which regulate the price paid. When the time comes for making new contracts, the Railway Administrations will naturally purchase in the cheapest market.

#### CONTRACTS FOR THE SUPPLY OF COAL TO RAILWAYS.

105. **Mr. K. Rama Aiyangar:** Will the Government be pleased to state if the system of placing long term contracts for the supply of coal has been examined and with what results? What is the present price of coal of the various kinds contracted to be supplied on such contracts compared with the rate contracted for? Do the Government propose to put an end to the contracts if they result in loss? What reduction, if any, of the expenditure under this head is anticipated in 1924-25?

**Mr. A. A. L. Parsons:** The question whether long term contracts are desirable will be carefully examined before the current 3-year contracts expire. The present contract rates compare with recent market prices as follows:—

	Contract rate per ton. 1923-24.	Current market rate per ton.
Deoharghur . . . . .	Rs. A. P. 11 12 0	Rs. 12 to 13
Jherria (selected) . . . . .	10 4 0	Rs. A. P. 10 8 0
Jherria (1st Class) . . . . .	9 8 0	Rs. 8 to 9

The present contracts cannot be terminated, nor can information be given, prior to the presentation of the budget, of the expenditure on fuel anticipated in 1924-25.

#### REDUCTION IN EXPENDITURE ON RAILWAY CARRIAGES AND WAGONS.

106. **Mr. K. Rama Aiyangar:** Will the Government be pleased to state what reduction in expenditure is anticipated under the head "Carriages and Wagons" (1) by putting off repairs on unremunerative lines and (2) by cheapness in prices?

**Mr. A. A. L. Parsons:** There is no intention of postponing necessary repairs to carriages and wagons as this would be uneconomical, and it is impossible to give any definite figure of the reduction in expenditure anticipated by a fall in prices, since the extent to which this fall may occur cannot be gauged.

#### SUMMARY BALANCE SHEET SHOWING THE FINANCIAL RESULTS OF RAILWAYS.

107. **Mr. K. Rama Aiyangar:** Will the Government be pleased to state if a complete summary balance sheet showing the financial results of Railways in India has been prepared as noted on page 71 of the Inchcape Committee Report and, if so, will the Government be pleased to lay it on the table?

**Mr. A. A. L. Parsons:** No. The complete summary balance sheet to which the Honourable Member refers cannot be prepared until railway and general finances have been separated, and consequential changes have been made in the form of the railway accounts.

#### MILITARY TRAFFIC ON RAILWAYS.

108. **Mr. K. Rama Aiyangar:** Will the Government be pleased to state if steps have been taken to simplify the method of dealing with military traffic and for the introduction of "Route and Rate books" and, if so, with what financial results?

**Mr. A. A. L. Parsons:** The question of simplifying the method of dealing with military traffic is under consideration by a Committee of Railway, Police, Army and Audit representatives.

The introduction of Rate and Route books is being considered by the Indian Railway Conference Association and an official of that Association is making inquiries as to what can be done towards giving early effect to the recommendations of the Railway Accounts Committee.

#### REDUCTION IN THE STAFF OF RAILWAYS.

109. **Mr. K. Rama Aiyangar:** Will the Government be pleased to state what reduction in salaries and wages of the clerical and administrative staff and industrial and technical staff and economies consequent thereon have been effected in 1923-24 and what further reduction is anticipated in 1924-25 by adopting the suggestions made in para. 22, pages 71 and 72, of the Inchcape Committee Report?

**The Honourable Sir Charles Innes:** The figures of reduction in staff actually effected during 1923-24 are not available. The actual reduction

in staff however between 1st November 1922 and the corresponding date in 1923 was as below:—

Europeans . . . . .	171
Anglo-Indians . . . . .	537
Indians . . . . .	35,630

It is not possible to say what further reduction may be possible in 1924-25.

#### MAINTENANCE AND RENEWAL OF RAILWAY ROLLING STOCK.

110. **Mr. K. Rama Aiyangar:** Will the Government be pleased to state whether any decision has been arrived at regarding the provision for "maintenance and renewals of Rolling stock, etc." referred to in head No. 16, of page 4086 of Vol. III, Assembly Debates, and, if so, what reduction in the expenditure budgeted for in 1923-24 has been effected and what provision is made for 1924-25?

**Mr. A. A. L. Parson:** Renewals and replacements are now rigidly restricted to items essential for maintaining working stock at an effective standard. As the position still involves the making good of considerable arrears of stock renewals, it is not yet possible to indicate in terms of money the reduction which the enforcement of this system has produced in the expenditure for 1923-24 and is expected to produce in 1924-25.

#### REDUCTION IN THE PURCHASE OF RAILWAY STORES.

111. **Mr. K. Rama Aiyangar:** What reduction in the purchase of stores has been effected by limiting indents for stores for 1923-24 and 1924-25? What was the value of the stock on hand on the last date of 1922-23, and what the amount of stock purchased in 1923-24?

**Mr. A. A. L. Parsons:** The balance of stores in stock at the end of 1922-23 was Rs. 22,98,78,000. It is expected, on the basis of the revised estimates for 1923-24 now under consideration, to reduce this by Rs. 2,59,49,000 by the close of the year. This reduction has been effected partly by limiting indents and purchases to the minimum required for sanctioned works and for ordinary purposes of operation, partly by reducing balances normally held in stock, and partly by revisions of prices and disposal of surplus and obsolete stores. Government are not in a position to state how much each of these factors has contributed to the total reduction expected. The expenditure on purchase of stores during the current year cannot yet be ascertained with any degree of accuracy. The total purchases to the end of December were approximately Rs. 20,50,00,000.

#### ECONOMIES EFFECTED BY THE FINANCIAL COMMISSIONER, RAILWAYS.

112. **Mr. K. Rama Aiyangar:** What economies have been effected by the appointment of the "Financial Adviser" to the Chief Commissioner of Railways? What are the Railway lines in which he has taken action, and under what heads has he controlled expenditure?

**The Honourable Sir Charles Innes:** The duties and functions of the Financial Commissioner are to exercise financial control over the operations of the Railway Department and to promote the efficient and economic working of the Railway Administration. It is held that the exercise of these functions from within, and not from without, the Department will

result in more effective control. His functions are not restricted to any one Railway, and it is not possible to indicate in terms of money the value of the economies which have already been effected by his appointment.

#### RAILWAY STATISTICAL RETURNS.

113. **Mr. K. Rama Aiyangar:** Will the Government be pleased to state if each railway has compiled and forwarded monthly statistical returns showing its working results as suggested by the Committee on Retrenchment on page 79 of its report? Have the summarised results been communicated to the General Managers? If so, will the Government be pleased to lay on the Table the returns submitted and the results communicated to the General Managers during the course of the current year?

**Mr. A. A. L. Parsons:** The statistical returns to which the Honourable Member refers have been compiled from October 1923 onwards by railways and comparative statements derived from them are sent each month to the Agents. A copy of the statement giving the figures for the months of October, November and December will be placed in the Library. The returns submitted by Agents are not printed.

#### REDUCTION OF SALARIES OF THE SUBORDINATE SERVICES IN THE PUNJAB.

114. **Chaudhri Bahawal Baksh:** (a) Is it a fact that the Government have advised the Punjab Government to reduce the salaries of the subordinate services?

(b) If so, will the Government kindly let the House know the reasons for this action?

**The Honourable Sir Basil Blckett:** (a) No. The suggestion of the Indian Retrenchment Committee that an inquiry should be made into the pay of the subordinate services and that Local Governments should be associated in the inquiry was forwarded to Local Governments for an expression of their opinion.

(b) Does not arise.

#### OVERBRIDGE AT BAHAWALNAGAR RAILWAY STATION.

115. **Chaudhri Bahawal Baksh:** Are the Government aware that the changing station Bahawalnagar on the Samasata-Bhatinda and Rajpore line is opposite to the town, and that there is no overbridge which causes much inconvenience to the public? If so, when the construction of an overbridge may be expected?

**The Honourable Sir Charles Innes:** The construction of a foot overbridge at Bahawalnagar has been sanctioned and the work is in hand.

#### PROPOSED RAILWAY FROM GUJRAT TO SARGODHA KHUSHAH.

116. **Chaudhri Bahawal Baksh:** (a) Is it a fact that a project to run a railway line between Gujrat (Punjab) and Sargodha Khushah railway stations was sanctioned on or about 1914, but was dropped on account of the war?

(b) If the answer is in the affirmative, when will the construction be now taken in hand, as the war is over?

(c) If the answer is in the negative, what other action was taken in connection with the scheme?

(d) Will Government please say what objection they have in giving over the construction of such lines to private companies, in case the Government cannot start this for want of money?

**Mr. A. A. L. Parsons:** (a), (b) and (c). A line from Gujrat to Sargodha Khushah was surveyed in 1914, but its traffic prospects were not sufficiently promising to justify its construction and consequently no further action was taken.

(d) It is presumed that the Honourable Member's suggestion is that the construction of the line should be made over to a private company on Branch Line terms. In this connection the Honourable Member doubtless remembers that the Acworth Committee called in question the whole policy of constructing Branch Lines in this way. The views of the Acworth Committee are being considered.

#### POSTAL INSPECTORS AND HEAD CLERKS TO SUPERINTENDENTS OF POST OFFICES.

117. **Khan Bahadur Sarfaraz Hussain Khan:** (a) Is it a fact that the Postal Inspectors and Superintendents' head clerks are required to undergo a departmental test before they are confirmed?

(b) Is it a fact that only a single chance is given to such candidates for passing that test?

(c) If so, do the Government propose to increase the number of times a candidate is allowed to appear at such a test?

**Mr. G. R. Clarke:** (a) Yes.

(b) The number of times an official may appear at the examination is not definitely laid down. The matter is left to the discretion of Postmasters-General under whose orders the examination is held and who make a selection of candidates each time it is held. In the Bombay Circle, where a competitive system is being tried experimentally, the number of times is ordinarily two.

(c) Does not arise in the case of circles other than Bombay. In the latter the Postmaster-General has discretion to allow a candidate for these cadres to appear more than once.

#### PAY OF POSTAL INSPECTORS AND HEAD CLERKS TO SUPERINTENDENTS OF POST OFFICES.

118. **Khan Bahadur Sarfaraz Hussain Khan:** (a) What was the maximum pay of Postal Inspectors and Superintendents' head clerks before the revision recommended by the Postal Committee in 1920, and what is the present maximum pay fixed for them?

(b) Is it a fact that in the revision of pay granted to the Postal subordinates in February, 1920, the pay of the Postal Inspectors and Superintendents' head clerks has not been revised? If so, will the Government be pleased to state the reasons?

**The Honourable Mr. A. C. Chatterjee:** (a) Inspectors of Post Offices and Head Clerks to Superintendents of Post Offices were in 4 grades, namely, Rs. 60, Rs. 80, Rs. 100 and Rs. 100—10—150, the highest grade containing the smallest number of officials. They are now placed on a single time-scale of Rs. 100—5—175.

(b) The scope of the revision of February 1920 was limited to ameliorating the condition of the lower paid officials of the clerical class who had necessarily been the hardest hit by the increase in the cost of living. The pay therefore of Inspectors of Post Offices and Superintendents' Head Clerks was not revised at that date. As a result, however, of the Postal Inquiry Committee's recommendations, it was revised later in the year with retrospective effect from 1st December, 1919.

**INCREMENTS OF POSTAL INSPECTORS AND HEAD CLERKS TO SUPERINTENDENTS OF POST OFFICES.**

119. **Khan Bahadur Sarfaraz Hussain Khan:** (a) Is it a fact that on the recommendations of the Postal Committee of 1920 the Inspectors and Superintendents' head clerks serving in India were allowed one increment for every 2 years of their past services?

(b) Is it a fact that the Inspectors and head clerks serving in Burma got one increment for each year of their past services, and

(c) the Postal clerks all over India and Burma got one increment for each year of their past services?

(d) Is it a fact that by such differential treatment accorded to the Inspectors and head clerks they have become junior to the men who were junior to them before the last revision?

(e) Is the Government aware that such differential treatment has given rise to strong feeling amongst the Inspectors and head clerks who are adversely affected? If not, will the Government be pleased to inquire through the Postal Association?

**The Honourable Mr. A. C. Chatterjee:** (a), (b) and (c). Yes.

(d) Government have no information on the point beyond a statement made by the Honorary General Secretary of the All-India (including Burma) Postal and R. M. S. Union which he has been asked by the Director-General, Posts and Telegraphs, to substantiate. It may be mentioned that it has been ruled that an Inspector or a Superintendent's Head Clerk may at any time voluntarily revert to the general line and take the position in that cadre that he would have held if he had remained in it.

(e) The Government of India are aware that Inspectors and Head Clerks of Superintendents have asked for an increment for every one year's service. In the case of these officials in India the smallest increase in any man's pay was from Rs. 60 to Rs. 100. Moreover the increment is Rs. 5 a year compared with Rs. 4 a year of the mofussil time-scales. The minimum pay of these officials in Burma was already Rs. 100 and they would obviously have received no benefit if they had not been allowed to count an increment for every year of service as Inspector or Head Clerk. The rates of pay have now been fixed from 1st December 1919 and Government do not intend to make any further revision involving increased cost.

## STATEMENT OF BUSINESS.

**The Honourable Sir Malcolm Hailey** (Home Member): Sir, we propose the following arrangements for business for next week.

On Monday, the 18th February, it is proposed to refer the Indian Criminal Law (Amendment) Bill, protection of minor girls, to a Select Committee. On the same day a motion for the election of the Standing Committee on Emigration will be made. I propose further we should on that day resume the discussion on Mr. Rangachariar's Resolution.

Tuesday will be occupied by Resolutions, non-official.

On Wednesday, the 20th, it is proposed to take up the demands for supplementary grants.

Thursday is a non-official day for Bills.

The Resolutions and Bills to be taken up on those days have already been settled by ballot, the results of which have been communicated to Members of this House. I might perhaps remind the House in connection with this allocation of business that we have at present sitting a number of important Committees and we also have to provide time for a number of Select Committees; the House has asked in the latter case that their reports should be submitted by the 29th of this month. It is therefore necessary that next week we should give what time is possible to the work of those Committees.

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## MESSAGE FROM THE COUNCIL OF STATE.

**Mr. President:** The Secretary will read a Message from the Council of State.

**Secretary of the Assembly:** Sir, the Message which has been received from the Secretary of the Council of State runs as follows:

"I am directed to inform you that the Council of State have at their meeting of the 13th February 1924 agreed, without any amendments, to the Bill to regulate the entry into and residence in British India of persons domiciled in other British possessions, which was passed by the Legislative Assembly on the 27th July 1923."

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## ELECTION OF THE STANDING COMMITTEE FOR THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

**Mr. President:** I have to acquaint the Assembly that the result of the election of Members to the Standing Committee for the Department of Education, Health and Lands is as follows:

1. Raja Raghunandan Prasad Singh,
2. Kumar Ganganand Sinha,
3. Sardar Bahadur Captain Hira Singh,
4. Haji Wajihuddin,
5. Mr. Venkatapatiraju,
6. Maung Kun,
7. Captain Ajab Khan,
8. Sardar Gulab Singh, and
9. Maulvi Muhammad Yakub.

## RESOLUTION RE THE APPROVAL BY THE INDIAN LEGISLATURE OF GOVERNMENT CONTRACTS.

**Diwan Bahadur M. Ramachandra Rao** (Godavari *cum* Kistna: Non-Muhammadan Rural): Sir, I beg to move the following Resolution:

"This Assembly recommends to the Governor General in Council that in all contracts extending over a period of years and creating a public charge, actual or prospective, entered into between the Government and Companies with an English or an Indian domicile:

(1) for the working of State Railways,

(2) or for the conveyance of mails by sea or for the purpose of telegraphic or wireless communications,

a condition should be inserted that the contract shall not be binding unless it has been approved by a Resolution of the Indian Legislature."

Sir, the question of the management of railways either by the State or by Companies has already formed the subject of considerable discussion in this House in 1922. I think, Sir, that it is unnecessary now at this stage to refer to that discussion except for the purposes of my Resolution. It was suggested, in the first place, that the recommendations of the Acworth Committee should be accepted in full, and my Honourable friend, Mr. Neogy, moved a Resolution in the House at that time to the effect that the Governor General in Council may be pleased to accept and give effect to the recommendations of those Members of the Railway Committee who recommended that the lines now worked by guaranteed railway companies as and when the contracts fell in, should be entrusted to the direct management of the State. This Resolution was opposed by the Government, and it was a conditional opposition by my Honourable friend, Sir Charles Innes; and by a subsequent amendment to this Resolution by Dr. Gour the operation of those recommendations was limited to the East Indian and the G. I. P. Railways. The effect of that Resolution was that the policy of State management recommended in the Resolution was confined to these two Companies whose leases are terminating very shortly, the former in 1924 and the other in 1925. Sir Charles Innes also attempted to get the House to consent to one of his amendments, which was to the effect that the Government should be at liberty to negotiate with companies established in this country for the management of these lines. That amendment was not accepted by the House, so that the position is that, so far as this Assembly is concerned, there is its opinion that the two railway companies whose leases are about to expire very shortly should be managed by the State. In answer to interpellations by one of my Honourable friends, Sir Charles Innes stated that the Government have decided to take those two lines under State management. That is the position at present. But still there are other portions of the recommendations of the Acworth Committee on which the decision either of the Government or of this House has not yet been taken. I may refer to the Assam Bengal Railway. In paragraph 208 of the Report the position of the Assam-Bengal Railway has been fully explained by the Acworth Committee. They stated that:

"While all the other guaranteed Companies earned, in the shape of their share of surplus profits, a substantial dividend above the guaranteed minimum, and their shares even under the exceptional market conditions of the present moment, stood in the neighbourhood of par, the Assam-Bengal net receipts do not even meet the 3 per cent. guarantee. The shares are consequently quoted at present at about 45. We should hesitate to advise that the Secretary of State should pay off at par in 1931 shares now standing at 45. But the Company is not important, and there is ample time for consideration of this exceptional case between now and 1931. In any case, the amount at issue is not large."



so that Honourable Members will see that at any rate with reference to one Company the question of future management will have to be considered by the Government, and the Government will now have to come to a decision as to whether that management should be directly by the State, or whether it should be by a Company formed expressly for the management of that line. I should like to say, Sir, in this connection that the constitutional position of this House has also to be borne in mind. We have no power in this House to enforce our decisions, and the Government of India, acting under the control of the Secretary of State, has still in their own hands the whole power of making contracts with any Company they please, if they are so minded. We have as yet no clear indication, except with reference to these two lines, of the future policy of the Government with reference to Railways, and under these circumstances and, in view of the fact that we have no power in this House to compel our decisions being carried out, it seems to me that the only way by which the House can assert its control is the one that I have suggested. If the Government decide in future, such as in the case of the Assam-Bengal Railway, to entrust the future management of the railway to a Company, the terms of the lease should be approved by an affirmative Resolution of this House before they become operative. I may state at once, Sir, that I am as strong an advocate of State control of railways as anybody, and in my evidence before the Acworth Committee I stated in express terms that the future management of railways should be by the State, and that the management of railways by companies should come to an end; and in view of the decision that has also been taken in this House, we are still faced with this difficulty, namely, that we have no means of enforcing the decision of this House with reference to the management of these railways. The only way out of the difficulty to my mind therefore, seems to be that if, notwithstanding this clear expression of our view in regard to the future management of railways, the Government still, in view of the power which they still have, proceed to make contracts with railway companies for the working of State Railways, the terms of those contracts should come before this House and should be approved before they become operative. Sir, the Honourable Sir Charles Innes knows the history of the renewal of the lease of the South Indian Railway in 1910. At that time the Madras Government entered a very strong protest to the Secretary of State that the lease should not be renewed and I am told there are cases where the Secretary of State renewed the leases for the working of State Railways against the express wishes of even the Government of India. Now, under those circumstances, it seems to me, Sir, that there must be some guarantee that the terms of these leases are discussed either by a Committee of this House or by the House and that they should be approved before they become final. The lease of the South Indian Railway was for a period extending to 1945, and when this matter came up before the Acworth Committee, many of the associations in Southern India made representations that great public inconvenience has been caused by the terms of the contract entered into with the South Indian Railway. One of these related to the working of District Board lines. During the past quarter of a century the District Boards in the Madras Presidency developed a policy of constructing feeder lines for the purpose of the development of communications and we had many schemes for the construction of these railways. I believe that schemes aggregating a total mileage of 900 miles was proposed to be constructed in Southern India. The policy of the South Indian Railway was to block all these schemes, to suggest as many

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difficulties as possible, in the construction of these feeder lines, either in the stage of initial construction or in the working, with the result that the whole policy of the District Boards for the construction of these lines came to a standstill; and that formed a subject of complaint to the Acworth Committee. Honourable Members who are interested in this subject will find considerable literature on this matter in the proceedings of the Railway Committee.

Then, Sir, as regards combinations with other companies, I may perhaps mention that the South Indian Railway and the British India Steam Navigation Company entered into a contract that the steamers of the latter Company should not call at the minor ports in the Tanjore district, with the result that all conveyance of food grains to Ceylon and conveyance of goods was diverted from the sea route to the railways. This led to an increase of freight charges up to Tuticorin and Danushkodi by a long railway route, in the place of a direct route by sea to Ceylon. This also formed the subject of considerable agitation in Southern India and at various times, during the last 10 years, matters were brought before the Legislative Council with a view to find out the exact terms of the Contract between the British India Company and the South Indian Railway. We were not successful in that attempt and for 10 years this agitation has been carried on without any appreciable results to the public. Therefore, Sir, that is another instance in which in making these contracts some restrictions should be imposed on the Railway companies that they should not form combinations with other companies with a view either to divert traffic to the great disadvantage of the public or to benefit themselves or to benefit the combined companies to the great detriment of the public. That, Sir, is the second instance in which we in Southern India have been considerably inconvenienced by the fact that these contracts have been concluded before the public has had an opportunity of scrutinising these contracts carefully.

Therefore, on all these broad grounds, it seems to me, Sir, that while our policy should be unhesitatingly one for State management, so long as we have no means of enforcing that policy within the terms of the Government of India Act, this Assembly should have an opportunity of scrutinising carefully the contracts which might be entered into in regard to any future companies whether domiciled in England or here with a view to safeguard the public in all possible ways either by inserting suitable conditions for promoting public convenience or for restricting the liberty of action of these companies.

Finally, Sir, there is also the question of the employment of Indians in the superior services. In regard to this matter also, the Agent and Manager of the Southern Mahratta Railway Company, Colonel Magniac, stated before the Acworth Committee that one of the reasons why he favoured company management was that the companies were not committed to the employment of Indians in the superior grades. That, Sir, illustrates the exact position taken up by those who are in responsible charge of Railway Administration and it is for that identical reason that we have advocated State management; and suitable conditions in the leases will have to be inserted for the employment of Indians in all the superior grades of the railway service.

The last question that I have to deal with is the question of training. Even in regard to this matter, I may perhaps say, Sir, that the future lies

very much in the training of Indians in all the superior grades of railway service,—whether it is traffic or technical in India—and this matter also came up for consideration before us in the Lytton Committee. During the time I was in England the complaint of the engineering students, more than 400 to 500, in Great Britain, was that they could not get suitable opportunities of training in Great Britain; and it was stated to us by many men, men who had considerable experience in the Indian services, that we have in India 35,000 miles of railway with excellent workshops. They said “You have excellent means of training in your own country. Why should your students come to this country for being trained in all these technical services relating to railways?” The mechanical engineers and civil engineers who appeared before us told us that the training in these departments of knowledge should be provided in India itself; I therefore believe conditions will have to be stipulated that all Railway administrations managed by companies should give guarantees that they would undertake training and afford all reasonable facilities in the workshops in their respective jurisdictions. These are the directions, Sir, if there is to be a deviation from the policy of State management, in which suitable conditions may have to be made before these are finally concluded.

I now come to clause (2) of the Resolution, and that is that the contracts relating to the conveyance of mails by sea or for the purpose of telegraphic or wireless communications should not also be binding unless these contracts are approved by a Resolution in the Indian Legislature. Sir, one of the questions that was referred to us by the Secretary of State was whether suitable facilities could be provided in England for training for those Indians who wish to enter the Royal Indian Marine Service. With a view to finding out whether facilities are available we summoned a number of witnesses and examined them with a view to find out the actual position. The Committee gathered the following information:

“The Committee of Management of the Training Ship ‘Conway’ regard Indians as ineligible for admission to that ship on the ground that they are not ‘British born’, and even if the number of purely British applicants were not, as it is at present, greater than can be admitted, they would be unwilling to take them because of ‘the difficulties of religion, caste and feeding; also the mixture of races and colour in the confined space on the ship.’”

Another witness representing the authorities of the Thames Nautical Training College, Worcester, said:

“They would be prepared to admit a limited number of Indians, provided that sufficient notice were given that no special arrangements were needed in the way of diet and that there was some one in England who would stand *in loco parentis* to Indian cadets.”

Then the Managers of the Nautical College, Pangbourne, said:

“We are not prepared to entertain the suggestion that Indian cadets should be admitted to our college.”

Therefore it was clear to us that if the training of those persons who wish to enter the Royal Indian Marine is to be undertaken, it should not be in England and we have to recommend that steps should be taken in Indian waters for the training of Indians. Here you have the P. and O. and the British India Steam Navigation Companies carrying our mails from England to India and from India to England. Assuming that in the contract between these two Companies and the British Government or the Government of India, whichever it may be, a condition is inserted that those persons who wish entrance into the Royal Indian Marine should be allowed to do so on the Companies’ ships, it would be a satisfactory way of obtaining training. That is one reason why, I think, this matter should

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be examined in this House. Sir, I understand that the contracts for the conveyance of mails are entered into by His Majesty's Government under the International Conventions. I am told the country from which the mails are conveyed should settle the terms of the contract. The contract for the conveyance of mails from England to India and also from India to England is now concluded by His Majesty's Government also on behalf of India. India is paying large sums as her portion of the subsidy for a number of years. The terms of this contract have to be varied from the point of view that I have suggested, namely, of providing training in those ships which enjoy the patronage of the Government of India. When the next contract is concluded a condition may have to be inserted that those who wish to enter the Royal Indian Marine should be trained in the ships which enjoy the patronage of the Government of India for the conveyance of mails. I have also said that there are other subsidiary contracts for carrying mails between the various ports in India, the Persian Gulf and Burma and perhaps these contracts are now in the hands of the British India Steam Navigation Company. It is quite possible that even in Indian waters some provision may be made in the contracts for the training of those persons who desire training for the Marine services.

Then, Sir, I come to that portion of the clause that relates to the telegraphic services. Government are also issuing licenses to the various telephone companies. Of course, these cannot be called contracts but still I contend that the question of making suitable arrangements for these public utility services to the best advantage of the country is one which ought to be kept in view. And when the Government issue licenses, though they are not contracts, care will have to be taken that the interests of the public are sufficiently safeguarded. I am mentioning this matter as it may not come within the terms of my Resolution but I should like to know from the Honourable Member in charge as to how many telephone companies are now working in India and whether the licenses issued to them contain conditions from the point of view of the public and whether at present these licenses are examined either by the Standing Finance Committee or by the Advisory Committees attached to the Departments or whether they are scrutinised from the point of view of the public in any other manner.

Then, Sir, there are wireless communications. I have not been able to obtain any definite information in this behalf but I should like to know what the exact position is at present. I should like to know whether these wireless communications form the subject of contract between the Government and any companies or whether any licenses are issued for their working and whether these also form the subject of any contracts entered into between the Secretary of State or the Government of India and also which of these authorities has the final voice in the settlement of these questions. These are the points that I wish to raise in this Resolution and I trust I have said enough to show that there is certainly a great advantage if these contracts are examined in this House before they are finally concluded by the Government of India. The procedure that I have advocated is in entire accord with the Parliamentary procedure. I might perhaps invite the attention of the House to page 308 of the Manual of Procedure in the House of Commons. The Standing Order is as follows:

"In the contracts extending over a period of years and creating a public charge, actual or prospective, entered into by the Government for the conveyance of mails by sea or for the purpose of telegraphic communications beyond sea, there should be inserted a condition that the contract shall not be binding until it has been approved by a decision of the House."

What I am now suggesting in this Resolution is exactly in accordance with the practice in Parliament. I commend this Resolution to the House.

**Mr. President:** Resolution moved :

“ This Assembly recommends to the Governor General in Council that in all contracts extending over a period of years and creating a public charge, actual or prospective, entered into between the Government and Companies with an English or an Indian domicile :

- (1) for the working of State Railways,
- (2) or for the conveyance of mails by sea or for the purpose of telegraphic or wireless communications,

a condition should be inserted that the contract shall not be binding unless it has been approved by a Resolution of the Indian Legislature.”

**Khan Bahadur Sarfaraz Hussain Khan** (Patna and Chota Nagpur *cum* Orissa:Muhammadan): Sir, I rise not to oppose the Resolution but to move my own amendment, as, I think, the wording of the Resolution is rather vague. My amendment is this :

“ That for the original Resolution the following be substituted :

‘ This Assembly recommends to the Governor General in Council that in all contracts which will hereafter be entered into by the Government of India with any company either of European or Indian Domicile or any Indian Companies,

- (1) for the management and working of the State Railways;
- (2) for the carrying of mails by sea or air or for establishing telegraphic and wireless communications,

a condition should be inserted that the contract shall not come into force until it is approved by the Indian Legislature in the form of a Resolution.’ ”

I think that, if the Honourable the Mover goes into the matter very carefully, he will probably accept my amendment. I want the House to delete the words “ extending over a period of years and creating a public charge, actual or prospective ”. This “ extending over a period of years ” is, I think, rather vague and is capable of different interpretations. ‘ A period of years ’ may mean two years, three years or four years. And I think, therefore, that all contracts, barring of course minor contracts, should be under the control of this responsible Legislature. In the ordinary sense of the word no doubt ‘ a period of years ’ means a large number of years. And I think also that if the Government wants to defeat this Resolution, if adopted, they may give contracts for short periods and renew them annually. Here, I may remind the House that during the debate in the last Assembly on the question of the State management of railways, Government wanted to renew the contracts with the E. I. R., and the G. I. P., for a short period. But the House decided that no contract should be so made with any Company for the management of these two railways. So, with a view to place all contracts with regard to those mentioned in my amendment under the control of this responsible Legislature, I move this motion so that, instead of “ a period of years,” the words should be “ all contracts.” I have also added “ Indian Companies,” by which I mean companies formed in India with Indian capital and under Indian management. This House represents the people; that is to say, it is a responsible House. But the Executive is, I am afraid, irresponsible to the people. And as a responsible Assembly is expected to protect the interests of Indian labour and Indian capitalists more than an Executive irresponsible to the people, I add the words “ Indian Companies.” So far as the Resolution goes, Indian Companies are not included. By the way, I may remark that the neglect of the interests of the masses from the very beginning of British rule in India has been such

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that many important industries have been strangled. Sir, there was a time when the docks of Chittagong, not to speak of other docks, used to build a large number of ships for postal marine. But what is the state of affairs now? They have all disappeared and they look like stories in the Arabian Nights. So, with a view to protect Indian labour against the encroachments of Indian capitalists, I have added the words "Indian Companies."

Now, Sir, another change effected by me is the addition of the word "Air." The time is not far distant when we may expect to see a host of aeroplane companies presenting their tenders for carrying mails by air. In other parts of the world the aeroplane service is more or less an accomplished fact, and we may reasonably expect the same in India in the near future. Hence, I also wish to add the word "Air" which has been left out in the Resolution. Thus the Honourable House will see that the changes I have suggested cover a larger field and give greater control to this Assembly, which I repeat is the only responsible body, as against the Executive, which is not responsible to the country at all. With these words I commend my amendment to the House and expect that the Honourable Member, if he goes into the matter and looks at the additions which I have suggested, will see that they cover a larger field. I beg to move my amendment.

**Mr. A. Rangaswami Iyengar** (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I rise to support the motion moved by my friend, Mr. Ramachandra Rao, and desire to add only a few more observations to show the necessity for this Resolution being accepted and acted upon by the Government. With regard to the contracts of the existing Companies, my Honourable friend referred to the contract entered into in 1908 with the South Indian Railway Company, by which the interests of the taxpayers and of the public of South India were sacrificed by the Secretary of State in a manner which has injured not merely the financial interests of the Province, but also the prospects of railway development in South India. My Honourable friend referred to certain clauses in the contract, which were prejudicial to the interests of the people of South India. I wish only to refer to one more clause therein which has absolutely held up all railway schemes in Southern India and put them at the mercy of the South Indian Railway Company, and that was the clause which said that, if any railway projects were made by either the local authorities or by the Government, or by private companies, which were likely to short-circuit the existing South Indian Railway system, that company should obtain full compensation therefor. The result of it was that, although the Railway would be making huge profits, and we know that the South Indian Railway Company of all companies in this country has been making very handsome profits while other companies have been making smaller profits, the effect of this clause was to hold up railway development in South India in a manner which has affected the economic development of the Province. In the next place the South Indian Railway Company, having secured this contract with the Secretary of State, went on to try to take hold of these projects in their own hands, and Mr. Neville Priestley, as he then was, came down to South India and proposed what was known as the Priestley Scheme, by which he tried to tempt the District Boards of South India to surrender their rights to what he called the Federal Railway Scheme, in which the South Indian Company were to be the major and dominant partner. That scheme was sedulously propagated, but eventually the District Boards were able to see their interests were at stake and the scheme

was turned down. Nevertheless this contract with the South Indian Railway Company has had the effect of holding up a number of District Board railway schemes, and although during the war they were unable to proceed with the scheme, subsequent to the war many difficulties have cropped up with the working of not only existing District Board railway lines which the Companies work, but also in connection with the starting of railway enterprise on the new lines which had already been sanctioned. The result is, Sir, that at present District Boards in the Presidency have accumulated by cesses levied on the taxpayer in South India, a sum of 27 lakhs of rupees. That sum has been lying idle and much of that sum has been depreciated by having been invested in Government securities which have now depreciated. The position therefore is, Sir, that until these Railway Companies make contracts with the Government of this country and until the Government realised their responsibilities to the taxpayer in this country and place these schemes before this Assembly and obtain its sanction, there is no guarantee that the protection of the interests of this country will be safe in the hands of the Secretary of State, whose advisers are, many of them, people interested in the financial interests of Lombard Street.

Then, Sir, we have had any amount of trouble in South India with regard to the settlement of what are called the Working Contract Terms between main line companies and branch lines owned by the District Boards. In these the Railway Companies have made repeated demands for further contributions over and above what they had agreed to in earlier contracts, and those demands have often been supported by the advisers of Government in the matter.

Therefore, what we want is that these railway companies should not hereafter, at least in the future, be in a position to dictate to those who are in charge of the public services, local authorities, Local Governments and so on, in regard to the manner in which the railways should be worked to the advantage of the public and to the economic development of the provinces concerned. We know, Sir, that in Madras too in some of the District Board railways which are under working contract with the South Indian Railway Company, many difficulties have cropped up whenever we suggest any improvements. The train services on the District Board lines have always been worked in such a manner that when they short-circuit the main line they are not put in a position to earn additional profits on the short-circuited lines. In the next place, the quality of the services on the District Board lines has to all those who have travelled on those lines been found to be distinctly inferior to that on the main line. Thirdly, Sir, when the District Boards concerned, on account of repeated complaints, have asked the Companies to improve the miserable accommodation provided in many stations, and the miserable facilities given to the travelling public, when these Companies have been asked to increase the number of trains or to alter their timings—nay, even to cover the overbridges over which during the summer season people have to walk barefooted to the great discomfort and trouble of their women and children—in all those cases the main line Companies have raised difficulties of a kind which the District Boards were unable to accept.

**Mr. President:** I cannot allow the debate to go into the details of railway administration. The issue of this Resolution is the desirability or not of establishing the principle of control by this Legislature over such contracts and the debate must pursue that line and not go into the details of railway administration.

**Mr. A. Rangaswami Iyengar:** I accept your ruling, Sir, but I was merely quoting them as instances.

**Mr. President:** But the Honourable Member was making his instances his main arguments. That is what I objected to.

**Mr. A. Rangaswami Iyengar:** Therefore, Sir, I think that it is high time that the contracts which these Companies entered into with the Government for their working should be brought under the scrutiny and control of this Legislature.

There is only one other point which I think is important and which has been only indirectly referred to by my Honourable friend, Mr. Ramachandra Rao. That is, the employment of the staff on these railways. We are all for Indianisation in the railway as in other services; but there is one more question which I think also affects the question of the staff, namely, the provision of a living wage for many of the railway employees on the lines. On that matter I think it is the duty of this House and of the Government, as responsible to this House, to see that railway employees—especially in the menial and subordinate staff—get a living wage. There have been any number of complaints and those complaints will not be answered merely by saying that if wages are increased profits will go down, because means ought to be devised for seeing that the railways are worked efficiently. After all cheap labour is dear labour, and I therefore plead, on account of the necessity of providing a living wage also, that this House should obtain control over the contracts entered into with the railway companies.

**The Honourable Mr. A. C. Chatterjee** (Industries Member): So far as I could judge from the speech of my Honourable friend, Mr. Ramachandra Rao, his main object in moving this Resolution was to secure better control by Government over the working of company railways. He also incidentally referred to the question of the provision of suitable training for Indians in the various mail services; but the terms of his Resolution are cast so wide that it seems to me that his main object, although he has succeeded in cloaking it very well, is really an indirect attempt to make the Executive responsible to this Legislature.

**Diwan Bahadur M. Ramachandra Rao:** Not at all indirect—it is my direct object.

**The Honourable Mr. A. C. Chatterjee:** Well, Sir, I am glad to have that assurance. I was frightened when I saw the terms of the Resolution. I would much rather welcome the frontal attacks that have been made by my Honourable friend opposite (Diwan Bahadur T. Rangachariar) and by my Honourable friend here (Pandit Motilal Nehru) on the present constitutional system. But, Sir, if I may for a moment divest myself of my official character and speak as an Indian, I deprecate these attempts to paralyse the Executive. These attempts will merely recoil on us when the desired goal of Swaraj is achieved. My Honourable friend has, in support of his arguments, merely quoted the precedent of the British House of Commons. I admit that the precedent does exist, but there are as you, Sir, are aware historical reasons for it, and also I think it must be patent to everybody that the existence of this practice in England has been criticised on the ground of economy by many competent observers. I feel certain that the practice does not obtain in any other country. I am not a constitutional lawyer but I am emboldened to make this statement because my Honourable friend has not quoted a similar instance in the constitutional practice of any other country.



The real effect of my Honourable friend's proposal will be that a large number of contracts will have to be placed before the Assembly and the Council of State before effect can be given to them. The Honourable the Mover of the amendment has cast his net even wider. If his amendment is carried, I fear that every broadcasting licence which we may issue in future, when broadcasting comes into fashion in this country, will have to be laid before the two Houses. Incidentally, Sir, I wish to congratulate my Honourable friend Mr. Joshi on the accession to the ranks of Labour members in this Assembly of my Honourable friend the Khan Bahadur, although I confess that I have not quite followed how Indian capitalists are responsible in their methods of aggrandisement against Indian labour for the pitiable condition of the Chittagong dockyards. I should at the same time like to refer to the question raised by my Honourable friend, Mr. Rangaswami Iyengar, with regard to the securing of a living wage. That, Sir, is a very big question, and I do not think my Honourable friend will secure his object by merely enforcing living wages in the case of employees of company worked railways. He will have to tackle the problem in a much bigger manner. Wages are paid to workers not only by company railways, but also by owners of mills and factories

12 Nov. in Bombay and elsewhere. I shall welcome any efforts in that direction on the part of my Honourable friend opposite.

Sir, there are many practical difficulties in the proposal which has been put forward before the House by my friend opposite. He has not attempted to discuss them. I should just like to mention them very briefly. Is a contract to remain in abeyance while the House is not in session? Suppose we enter into a contract in the month of April. It is not to be given effect to, I understand, until in the September session the Assembly and the Council of State pass a Resolution on the subject. Then again how are the negotiations to be conducted? The other side will always tell us "Oh, well, we do not know whether these negotiations will ever mature; you may enter into a contract, but your principal, the Legislative Assembly and the Council of State, may not agree; we must cover ourselves against the risk and we will have to charge you a very much higher rate than we would otherwise do."

**Mr. M. A. Jinnah** (Bombay City: Muhammadan Urban): On a point of order, Sir. The Honourable Member said that there was no precedent; may I point out that that is not so in England and that there is a precedent there.

**Mr. President:** That is not a point of order.

**The Honourable Mr. A. C. Chatterjee:** I think, Sir, I admitted that the practice did exist in England in this particular case and in no other. I was going on to say that there were many practical difficulties in carrying out the recommendation embodied in the Resolution. I mentioned that a particular company may object when we tell them that the proposal will have to be finally sanctioned by the Legislative Assembly and the Council of State; they will naturally have to cover themselves against the risk of the proposal falling through. Just imagine an opposite instance. Supposing, when we are conducting negotiations with a company, the management or board of directors of that company tell us that the proposals will have to be submitted to a meeting of shareholders. Is it contended for a moment that Government would agree to any such condition? Then again imagine a case where we have called for tenders and we have received

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a very large number of tenders. Are all those tenders to be disclosed and discussed in this Assembly where the proceedings are open to everybody? Then, again, is the consent of both Houses to be obtained? According to the terms of the Resolution, a Resolution of the Indian Legislature is necessary. Supposing there is a difference between the Council of State and the Assembly, what is going to happen then?

**Diwan Bahadur T. Rangachariar** (Madras City: Non-Muhammadan Urban): How do they manage it in England, please, may I know?

**The Honourable Mr. A. C. Chatterjee:** It is only laid before the House of Commons. Then, Sir, I want to refer to another point. Instances in which very large contracts are entered into are not very many. My Honourable friend has referred to the case of company worked railways. This particular instance will be discussed by my Honourable colleague the Commerce Member. But, coming to the second part of his Resolution, I may mention that the carriage of mails between England and Europe is at present arranged by the British Post Office. As the Honourable gentleman, the Mover of the Resolution, mentioned, it is usually the country of origin which arranges for the carriage of mails. So all mails that come from England to India have to be arranged for by the British Post Office. It is true that we could make separate arrangements for the mails from India to England. Recently, I have had a very careful inquiry made into the matter and I have satisfied myself that the arrangements by which we entrust the carriage of our mails from India to Europe to the British Post Office mean a very considerable saving to the Indian exchequer. In any case the present arrangement will continue till 1927. The only other instance where we make any large or important contracts for the carriage of mails is with regard to the coastal services. That case is now under the consideration of Government and the circumstances are such that Government have decided to place the matter before the Standing Finance Committee of this House for their advice.

Then we come to wireless. As regards wireless the Honourable gentleman asked me a few questions. I think I explained in answer to various interpellations that we have not given any contract to any company. All that we have hitherto done is that we have published terms in accordance with which licenses will be given. We have not yet received any formal applications for such licenses. Those terms have been published. They were in a way communicated to the House more than a year ago. There has been no criticism so far; there has been ample opportunity to the House to criticise the proposals that have been made by Government. Every care has been taken to protect Indian interests when any license will be given for wireless, and I shall welcome any suggestions with regard to this matter from Members of this Assembly.

As regards telephone companies, there are, so far as I can recollect, only three companies to which licenses have been given and those licenses are still to run for another twenty years. The terms of those licenses I gave to the House in answer to an interpellation a few days ago. So that my Honourable friend's proposal will not affect telephone companies, will not affect wireless, will not affect the P. and O. for another two or three years; and, as regards the British India Company's contracts for the coastal services, I have already indicated that the matter is at present under consideration and that we are seeking the advice of the Standing Finance Committee.

I need not go into the numerous contracts which will come under the purview of the Resolution if the Honourable Khan Bahadur's amendment is accepted. I really do not think it is conceivable that Government could possibly lay before this House every possible kind of contract which does not create any charge, but which on the other hand brings profit to Government, for sanction of the Assembly before the contracts are entered into. The position, I submit, Sir, is inconceivable. I have already said that we are placing one of these cases before the Standing Finance Committee for its advice. It will appear, therefore, that, where Government consider that it is in the public interest that they should consult a Committee of the Assembly, they will do so. But I cannot possibly give any undertaking or any guarantee that this will be a regular practice or that this practice will be adopted in every case. Finally, Sir, I wish to appeal to the House again to consider whether it is right in trying to paralyse the Executive in the manner which is suggested or which would be the effect of this Resolution.

**Mr. C. Duraiswami Aiyangar** (Madras ceded districts and Chittoor: Non-Muhammadan Rural): Sir, after hearing the Honourable Mr. Chatterjee's speech about the observations made by the two Honourable Members who proposed the Resolution and the amendment, I am inclined to say a few words. The Honourable Member said that once you make the Executive of the present day responsible to the Legislature it may recoil on us when we get Swaraj. Sir, I am prepared to say, even at this moment, Swaraj or no Swaraj, that the Executive must always be responsible to the Legislature. Whether it is a brown bureaucracy or a white bureaucracy it is equally unwelcome so long as it does not hold itself responsible to the Legislature. Therefore, Sir, I am not at all afraid of the threat that if this principle is adopted now, it will recoil on us when we get Swaraj.

Now, Sir, with reference to the suggestion that it may often become difficult for us to settle these contracts when the House is not in session, that is a difficulty which I also anticipated when I first read the Resolution of my Honourable friend Diwan Bahadur Ramachandra Rao as well as the amendment. It also seems to me to be a real difficulty, and I think some way must be found out between the Honourable Mr. Chatterjee and the Honourable the Movers of the Resolution and amendment. It seems to me that to submit all such contracts on every occasion to a large Assembly like this may cause necessarily some inconvenience. We feel this even in the management of our contracts in small bodies like the local bodies, the Municipalities and so on. When the chairman enters into contracts and when they are submitted to the municipal council, even then we feel the difficulty of the municipal councillors sitting at a sitting and going into the details of all these contracts. For this purpose, I thought that I might suggest an amendment by which a Joint Committee of the Legislature, three elected Members of this Assembly and two from the Council of State, may be elected every year as a Joint Committee to settle and go through these contracts and also to countersign these contracts when they are entered into between the Government and the various Companies. That I thought would be a feasible procedure, but as I felt that I was too late in proposing an amendment, I did not bring it forward as an amendment.

Then, Sir, the Honourable Mr. Chatterjee referred in one breath to difficulties being frequently experienced in this direction and in another

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breath said that such occasions are very rare. I do not see how there will be a difficulty in referring these questions to a Committee of the Legislature . . . .

**The Honourable Mr. A. C. Chatterjee:** May I explain, Sir? I said that the larger contracts are not many, but there will be quite a large number of small cases if the Honourable Member's proposal embodied in the amendment was given effect to.

**Mr. C. Duraiswami Aiyangar:** When once, Sir, a principle is accepted that all such contracts, be they large or be they small, should be also under the superintendence or under the advice of the Assembly or its representatives, I think we must adopt one rule and not adopt different rules for different purposes. It may often lead to difficulties as to finding out which is a large contract and which is a small contract.

Now, Sir, so far as the question of the amendment moved to this Resolution is concerned, the Honourable Mr. Chatterjee said that in cases in which no public charge is involved, it is only a question of profit, and no references to the Legislature would be found necessary. I think, Sir, even in such cases it is absolutely necessary that the Legislature or a Committee of the Legislature should be consulted for the reason that even in fixing the persons to be selected for the contracts some amount of discretion and some amount of scrutiny may have to be exercised, so that we may not be open to the charge of personal nepotism in regard to particular companies. In these circumstances, Sir, I wish strongly to urge on the Assembly to accept the amendment which is in larger terms than the proposition, and, if it is open to me to propose an amendment, I would suggest that all contracts be referred to a Committee to be elected of three Members of this Assembly and two of the Council of State to go into this question of contracts.

**Mr. M. A. Jinnah:** Sir, the Honourable Member in charge said that this will paralyse the Government and that he was not a constitutional lawyer, but he raised various difficulties which would paralyse the Government. Now, Sir, in the first place; I have not heard a single word from the Honourable Member as to how many contracts are likely to be entered into of the nature which are covered by this Resolution, leave alone the amendment.

**The Honourable Mr. A. C. Chatterjee:** I mentioned them.

**Mr. M. A. Jinnah:** How many contracts are the Government likely to enter into of the nature mentioned in this Resolution? There is some misconception, it seems, in this House on the part of some Honourable Members that there will be a number of contracts which the Government will be entering into every week or every month. Nothing of the kind. I will read out the purport of this Resolution:

"This Assembly recommends to the Governor General in Council that in all contracts extending over a period of years and creating a public charge, actual or prospective, entered into between the Government and Companies with an English or Indian domicile"—(for what?)—"for the working of State Railways or for the conveyance of mails by sea or for the purpose of telegraphic or wireless communications."

**The Honourable Mr. A. C. Chatterjee:** Please read the amendment.

**Mr. M. A. Jinnah:** I do not deal with the amendment at all, I am opposed to it. I think it will certainly paralyse the Government. Therefore, let us keep to the Resolution. I submit, Sir, that the Resolution deals with contracts of a peculiar character, namely, of a very serious character, namely further, contracts which will extend over years, and I ask the Honourable Member what is the difficulty in placing these contracts before this House? There is a clear precedent which is followed in the House of Commons and I will read it to him.

**The Honourable Mr. A. C. Chatterjee:** It has already been read.

**Mr. M. A. Jinnah:** The Honourable Member says it has already been read. But he asked supposing this House is not sitting, what will happen? May I tell him that? This is what happens if the House is not sitting:

"Every such contract when executed shall forthwith, if Parliament be then sitting, or if Parliament be not then sitting, within 14 days after it assembles, be laid upon the table of the House accompanied by a Minute of the Lords of the Treasury."

This is what will happen. If this Assembly is not in session, the Honourable Member will place it on the table within fourteen days after it assembles. Then he said he would be paralysed. Why will he be paralysed? This Assembly at least sits during the months of January, February and March. We have got three months, and this Assembly also normally meets in September. Sir, if the Government is going to enter into such serious engagements as these contracts, what difficulty is there to time themselves in such a way as to place these contracts before this House? What is the difficulty? It is only an excuse, it is the same old story; the Executive does not wish to stand the searchlight of this House in entering into engagements of a serious character—I say there is absolutely no justification. The Honourable Member has made out no case whatsoever, and, therefore, Sir, I support this Resolution.

**The Honourable Sir Charles Innes** (Commerce Member): Sir, I should like first to refer to a remark by Mr. Duraiswami Aiyangar. Mr. Duraiswami Aiyangar said that he would not accept the position taken up by my Honourable colleague, Mr. Chatterjee, because it was his view and it was the view of this House that the Executive must be responsible to the Legislature. It seems to me, Sir, that there is a certain amount of confusion of thought in that remark by my Honourable friend. It is perfectly true that an Executive must always be responsible to some Legislature or other. But, Sir, it is equally true that in every properly arranged constitution there are clearly defined spheres for the action of the Executive and the action of the Legislature. It is perfectly true, as Mr. Jinnah and other speakers have pointed out, that in this matter of mail contracts there is a precedent set up in the British Parliament. But Mr. Chatterjee pointed out that that precedent was, as far as we know, a single precedent and we think it is a bad precedent. I take my stand upon one of the leading exponents of Parliamentary practice and Parliamentary law in the world. I refer to Sir Courtney Ilbert. I hope the House will allow me to read a sentence from his book "Parliament":

"It must be repeated that Parliament does not govern and is not intended to govern. A strong Executive Government, tempered and controlled by constant, vigilant and representative criticism, is the ideal at which Parliamentary institutions aim."

That, Sir, seems to me to be an accurate statement of the case and the only difference between the House and ourselves in this matter is that we do not wish to set up bad precedents. I quite see the difficulty in which

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the House is. In particular I see it in regard to my own subject, namely, Railways. I quite see that the House will say: "we have expressed a very strong view in favour of State management and what we are afraid of is that in this transition period you on your own may tie this House down for 30 or 40 years to a contract with a company." I quite see that difficulty and I will deal with it later. In the meantime I should just like to refer briefly to Mr. Ramachandra Rao's speech. He opened up, Sir, a very fascinating subject, the subject of State *versus* Company management. He repeated all the old arguments in favour of State management. But, Sir, I do not propose to follow him. We discussed that question in the fullest possible detail this time last year. He then, Sir, made many complaints against the South Indian Railway. Here again I do not propose to follow the Honourable Member. But the fact is that, as regards the South Indian Railway, we are bound by a contract which does not expire till 1945. It does not seem to me, therefore, Sir, that it would serve any useful purpose if we went into the merits or demerits of that contract.

Then, Sir, let me just make a passing remark in regard to my friend, Mr. Rangaswami Iyengar's speech. Mr. Rangaswami Iyengar stated that because of the contract with the South Indian Railway, railway development in Southern India had been hampered; and he went on to make many complaints of friction between the District Board Railways and the parent line. As regards railway development in Southern India the difficulty always has been not so much one of the contract with the South Indian Railway but the question of finance; and I hope, Sir, that in a very short period of time the Government will be able to make an announcement to show that those difficulties are in a fair way to be overcome and that we hope soon to be able to embark upon a very real programme of railway development in Southern India. Let me add that Mr. Rangaswami Iyengar's statement about the friction between District Board Railways and the parent line did not impress me in any way as criticisms of the actual contract between ourselves and the South Indian Railway. They do impress me in this way, namely, that they bear out most fully what the Acworth Committee said in paragraph 177 and following of their report about branch lines and feeder lines. I am sure that my friend, Sir Purshotanidas Thakurdas will have listened to Mr. Rangaswami Iyengar with great pleasure and will agree with me that all he said in this respect was a confirmation of the Acworth Committee's remarks about branch lines and feeder lines. It is a condemnation of the whole system of branch and feeder lines more than a condemnation of the South Indian Railway contract.

Now, Sir, let me come back to the subject of railways. What Mr. Ramachandra Rao asks is that, before we enter into any contract with a company for the leasing of a State line, we should insert in that contract a clause which will make that contract inoperative unless and until it has been ratified by this Assembly. It is perfectly true, as Mr. Jinnah said, that there are not many contracts of this kind, for I take it that Mr. Ramachandra Rao is not referring to small contracts relating to extensions which for administrative reasons we have to hand over to the parent line for working. What he is referring to, I take it, are two classes of cases. The first is the case of our existing State lines. The existing contracts will fall in at certain dates and it will then have to be considered whether we should take those railways over under State management or whether we

should hand them over to companies for management. I take it that Mr. Ramachandra Rao in that case wishes the House to lay down a rule that, when we enter into any contracts with companies for these State managed lines, we should insert this clause in the contract. Now, Sir, a list of those lines is given on page 64 of the Acworth Committee's Report. The first contract to fall in is that of the Burma Railway. The existing contract does not terminate till 1928. The Assam Bengal Railway contract does not terminate till 1931, and the contracts of the remaining four Railways terminate at later dates extending right up to 1950. Now, Sir, here is a book from the library, "The History of Indian Railways." Full details of these contracts are given for every one of these Railways, and in this book, it is stated exactly when the existing contracts terminate and exactly what period of notice the Government have to give if we propose to terminate those contracts. Let me take the Burma Railways. As I have said, the contract expires in 1928 and by the terms of the contract we are required to give one year's notice if we are going to terminate the contract. That is to say, this question will become really urgent in 1927 and that fact will be known to Members of this Assembly. Now, I suggest to Mr. Ramachandra Rao that the main point that he has in view would be met if some Member of this House, as Dr. Gour did in regard to the East Indian and Great Indian Peninsula, moves a Resolution some time in 1926 or 1927 to the effect that, when the contract with the Burma Railways expires, the railway be taken over under State management. In that way the whole question will be brought up before this House and, Sir, I do not know, nobody knows, what the verdict of the House will be in 1927. All I know about the Government Member of that day is that it will not be myself, but I am perfectly sure that whoever the Government Member may be in charge of Railways, he will attach the greatest possible weight to any Resolution which may be adopted by this House in regard to the future management of the Burma Railways. And that reply is also with reference to all the other railways mentioned on this page 64 of the Acworth Committee's Report. I submit, Sir, that the House in that way will have the fullest opportunity of bringing to bear upon Government its views in regard to the future management of those railways, whatever those views may be, and in those circumstances it would be wrong for this House to insist or to pass a Resolution saying that we should insert this clause in whatever contract we may enter into. Mr. Jinnah says that it would not paralyse the Government to insert that clause. Sir, I join issue at once with Mr. Jinnah. It would paralyse the Government. It will not paralyse us in all the branches of our administration, but I think it would make it perfectly impossible for us to enter into any negotiations of any kind with any private company if such a clause were inserted. Mr. Jinnah must know, being a business man, that negotiations of that kind are very lengthy, and a very difficult business; you have got to work out exactly on what terms you can take over a railway from Government; you have got to approach financial groups, financial houses, and they will not undertake that work if they think, that, at the end, all their work would go for nothing because their proposals are liable to be turned down by this House, possibly not for business reasons. Then, Sir, let me come to the last case, and this, I admit, is a difficult case. Mr. Ramachandra Rao pointed out that we had a debate on State *versus* Company management this time last year. I moved an amendment which I may say was not accepted by the House in regard to these two railways. The whole object of that amendment, as I explained most carefully in my speech, was to ensure that

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Government might have the door open for negotiations with a real genuine private company for one or other of these railways. That amendment was not accepted. The House passed the Resolution that the two Railways should be taken over under State management. We have been busy making arrangements with the present companies for taking those two railways under our own management, and the House will no doubt want to know what I have done, in regard to my amendment. Well, I have done nothing as regards these negotiations; I say quite frankly I have done nothing; being very busy with other matters, we have not opened any formal negotiations of any sort. But I want to say this; if I do enter into any negotiations of that sort, this House may take it from me that I will not do anything to commit the people of India to a contract with the East Indian Railway or the G. I. P. Railway without taking the Central Advisory Council most fully into our confidence; and I hope they will accept that as a reasonable solution of what I admit to be a difficult problem. I have explained, I have tried to explain, the reasons why we do not want to accept a Resolution that this particular clause should be entered in the contract, but in this particular case I have said that I will try to meet the House as far as I can by giving them a promise that, if we do go on with these negotiations, I will not commit the House to a contract of this kind without taking the Central Advisory Council most fully into our confidence.

**Pandit Madan Mohan Malaviya** (Allahabad and Jhansi Divisions: Non-Muhammadian Rural): Sir, I offer my strong support to the Resolution which has been moved by my friend, Mr. Ramachandra Rao. I have listened to the two speeches of the Honourable Members for Commerce and for Industries, but I feel a little more perplexed as to why there should be such a difference of attitude between the non-official and official Members in this Assembly. Both the Honourable Members have endeavoured to persuade us of the unwisdom of the course recommended in the Resolution. On the other hand, we, sitting on the non-official side, do not see that any such difficulty as they have pointed out is likely to arise if this proposal is accepted. The Honourable Mr. Chatterjee told us that there would be great difficulties in having the details of such contracts laid before this House, and that business firms would not be willing to come forward often to enter into a contract with the Government if they knew that the matter would have to be confirmed by this House. The Honourable Sir Charles Innes repeats the same arguments and says that there may be Companies unwilling to enter into negotiations if this proposed rule is laid down. Now, Sir, we have been told that in the House of Commons, which is considered to be the wisest of Parliaments existing at present there is such a rule, that in the House of Commons this rule has existed for a long time, and every Member is by this time aware that provision is made with regard to contracts relating to the carrying of mails, that the contract shall not be binding unless it has been approved of by a Resolution of the House. The language of the Resolution seems to me to have been taken from this rule of the House. The rule runs:

"In all contracts extending over a period of years and creating a public charge, actual or prospective, entered into by the Government for the conveyance of mails by sea or for the purpose of telegraphic communications beyond the sea, there should be inserted a condition that the contract shall not be binding until it has been approved of by a Resolution of the House."

I cannot imagine any possible circumstances which can differentiate a contract entered into by the Government of India with a company for



the carrying of mails by sea from a contract entered into by the British Government with any such company. The Honourable Sir Charles Innes referred to an admirable writer on the question of the spheres of the Legislature and of the Executive Government under the Parliamentary system. I think we all recognize those spheres. We do not want to enter into a discussion regarding the details of every act of the Executive Government before it is carried out, but cannot my friend see the principle which underlies this Resolution? Can he not make a distinction between contracts other than those mentioned in the Resolution and those mentioned there? What does the Resolution deal with? What are the classes of contracts it deals with?—"the working of State railways and the conveyance of mails by sea or for the purpose of telegraphic or wireless communications." Do not contracts of this nature stand on a footing which is entirely different from other contracts? In the matter of the working of State railways the public is deeply interested; every detail which may be entered in an agreement with a company for the management of railways, for the working of railways, is a matter in which the public is deeply interested. As the public is interested in it, and as it is essential that a contract should be entered into after the greatest care has been exercised, this clause of the contracts has been picked out from the rest of the contracts and is sought to be brought under the rule, under the wise rule which has been proposed in this Resolution. A contract which the Government may enter into with a railway company affects the interests, affects the comfort and discomfort of a vast number of people in this country; that is inevitable. It is therefore that a contract like that requires to be entered into after the greatest care and deliberation; and I am sure the Honourable Members on the Government Benches will agree that, if a clause like what is proposed is inserted in an agreement, the Honourable Members will devote extra care to see that the contract is such as will commend itself to the general public, and the Companies will devote extra care to propose such terms as are likely to be acceptable to the general public. Both the parties to the contract, entering into the contract directly, one on behalf of the people and the other on behalf of the private Companies, will be much more careful in proposing terms and in settling details than they are likely to be if the matter is to be settled by the Honourable Member for Commerce, may be with approval of the Executive Council, as regards the broad principles of the details, or may be without it. But when they know that the matter has to be placed before the Assembly, I am sure every party concerned will exercise much greater care. Now, Sir, it was objected that a Company might not wish to place the details of the proposed contract before a House like this. I should say to the Company, "go away, we do not want your offer; we do not want to enter into a contract with you." There will be other Companies coming forward to do the same.

So also with regard to the carrying of mails by sea and by air, as the amendment proposes. Those are matters in which the public are deeply interested. Those are matters which do not take place every day. As my Honourable friend Mr. Jinnah has pointed out, contracts of the nature contemplated in the Resolution have to be entered into only occasionally and the Honourable Sir Charles Innes himself has told us that they should be given time. If this Resolution is accepted by this House to-day, Government will have sufficient notice. They will know that, whenever they have to enter into negotiations for the renewal of a contract for the

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working of any State railway, they will have to prepare themselves for submitting the proposals to this House or to the successors of this House. They will have ample time to do so and every company which wishes to enter into any negotiation for such contracts will have ample time to do so.

I do not see that there can be any practical difficulty in giving effect to this Resolution. On the other hand, we know the past history of the working of Indian State Railways in this country, of the construction of the many railways and of the working of many railways. Enormous sums have been lost in the construction and in the working of the railways which should not have been lost and they would not have been lost if contracts had been entered into after having been laid before an Assembly of the elected representatives of the people. I do not want to go into the details. It will serve no profitable purpose. But now that there is a representative Assembly in existence and now that the Government have declared that their object is to introduce responsible government and to make the Executive willy-nilly, to-day or to-morrow, responsible to the Legislature, Government ought willingly to accept the Resolution. They ought to welcome the Resolution and show that they are alive to the new situation. By doing so they will enhance their reputation for wisdom in the eyes of the Members of this Assembly and in the eyes of the general public. On the other hand, if they tenaciously fight against a Resolution for which there is a precedent in existence in the House of Commons and which commends itself to the common sense of the ordinary man in the street, they will be placing themselves more than ever in opposition to the popular wishes; and they will in one sense no doubt be doing us a help in showing that an irresponsible executive and a House containing an elected majority cannot long exist together.

**Sir Purshotamdas Thakurdas** (Indian Merchants' Chamber and Bureau: Indian Commerce): Sir, I rise to support the main Resolution before the House and I hope that the Honourable the Mover of the amendment will withdraw his amendment. I do not think that the amendment will stand much examination in the light of what has been said by the Honourable Members on the benches opposite, but at the same time, Sir, I very strongly feel that the Resolution is one which stands absolutely unscathed in spite of all that we have heard from the benches opposite. At this stage I do not propose to go into the question of whether the postal subsidy as fixed at present by my Honourable friend opposite with His Majesty's Government is in order or not; nor would, I am sure, the House like me to discuss the question of the various railway contracts in spite of the invitation extended to me by my Honourable friend opposite. I wish, therefore, Sir, to restrict myself to the main principle underlying the Resolution moved by the Honourable Diwan Bahadur, and I hope that before I conclude I may be able to show to the House that the Resolution is one to which no exception should have been taken; but which deserves the fullest approval of this House. The Honourable Member from Madras mentioned the question of how the renewal of the contract for the South Indian Railway was done by the Secretary of State in London over the heads not only of the Government of Madras but also, I understand, over the heads of the Government of India. I wish to add an example of another nature which I hope we have avoided in good time. I am referring,

Sir, to the Indian Retrenchment Committee's Report under the heading Indo-European Telegraph Department, where the Committee say:

"Considerable difficulty must inevitably be experienced in the administration and control of this undertaking by a Government Department either in England or India, and, if it can be disposed of on favourable terms, we are of the opinion that the proceeds could be more usefully employed in meeting the many urgent needs for productive capital expenditure in India."

With that opinion of the Committee I had the misfortune to dissent and my dissenting note begins with:

"The capital sunk in this Department is shown to be Rs. 1,78 lakhs in 1920-21." and I conclude my minute with this:

"My colleagues recommend an examination of the possibility of selling this concern to a British Company. I cannot agree with them. I am not aware if the circumstances, under which the telegraph lines under this Department were laid at the expense of the Government of India, have changed so as to warrant the idea of selling same or of leasing them to a British Company. The Standing Finance Committee of the Legislature in India would be the proper party to examine the circumstances and find out whether it is advisable or necessary to sell or lease a Department, which is remunerative to the Government of India."

Having said that, Sir, as a minute of dissent, on the Retrenchment Committee's Report, none will be surprised by the very strong support that I propose to give to my Honourable friend's Resolution. I do not wish to dilate upon the Indo-European Telegraph Department and my views on it, because I do not think the House at this stage wishes to have any further instances as to some acts of omission and commission in the past which prove the necessity of this Resolution. But I wish, Sir, to refer to one or two points that have come out in the course of the debate. The Honourable Sir Charles Innes said that that very good and very useful rule in the British Parliament was not approved by some greater authority that he mentioned. That the rule was there in England and was good enough for the British Parliament is undisputed. There may be some who think that it is not necessary now or it is not in keeping with the dignity of the British House of Commons. I contend, Sir, that in the half-hearted privileges, half-hearted rights, that we have got here, for us, the representatives of the tax-payers as against the Executive, this rule is certainly very desirable, is certainly very necessary. But the executive themselves would do very well and inspire greater confidence in the public and in this side of the House if they looked upon this Resolution, if passed by this House, as a convention. For, Sir, there is no parallel between the powers enjoyed by the non-officials in the British Parliament and those enjoyed by us in this House. There is no doubt that there, if the opposition to the Government pass a Resolution, the Executive have got to clear out and the Government comes to an end and somebody else comes into power. Here, we may talk, but the criticised contract stands, and the personnel of the Executive stands. In the light of this I was surprised at my Honourable friend Mr. Chatterjee saying that a Resolution like this would paralyse the Executive. I should have thought that he would have looked upon this Resolution as exactly the right thing to prevent paralysis of the Executive, to prevent any sort of future difficulty, any sort of heart-burning amongst anybody—the criticisms which we non-officials must level against disapproved contracts. I should have thought that this would be looked upon as a right step suggested for the purpose of inviting criticism, if any, when a contract

[Sir Purshotamdas Thakurdas.]

of such a nature is put before the House; somebody on the non-official side can then get up and point out if some special point is overlooked. Instead of aiming at paralysing the Executive, I think it is the one thing which will bring about not only no paralysis of the Executive, but a great help to the Executive and avoid that bitter criticism which is being so much resented by the benches opposite. I, therefore, Sir, would have liked the opposite benches to dwell a little more on that point raised by my Honourable friend Mr. Chatterjee and to explain how it could paralyse the Executive. It was very correctly pointed out by my friend Mr. Jinnah that the Resolution does not apply to the daily contracts for say the purchase of stores or things of that sort, but it applies to contracts, as he said, which create a public charge, and the Resolution mentions the various principal things to which it should apply, such as, the working of State railways and telegraph and other lines. Sir, I am sure my Honourable friend Mr. Chatterjee does not mean to say that contracts for working of State railways are things which, even though they may be negotiated in a private room, should be kept back and that any sort of public information that may be given about them to this House should make it necessary for the parties thus negotiating with the Government of India to withdraw. I am afraid I must say clearly that the Resolution is intended for the purpose of stopping these hole-and-corner negotiations and for giving the widest publicity to such contracts which entail a charge on the public revenues, so that the public and this House especially may make such suggestions and bring in such parties as they think fit in order to see that the State gets the best possible before such contracts are made. I could understand what my Honourable friend said if it was a question of interference with the Stores Department. A man may say I hold this fairly cheap. If you close with me now, I will give it to you at a certain rate. But, if you want me to wait for two or three weeks, I will go to somebody else as it is possible that the market may go down and I will not stand, what they call, 'firm' during this period. Surely those conditions will never apply to railway contracts or to contracts for the conveyance of mails by sea or for the purpose of telegraph or wireless concessions. I certainly think, Sir, that in all these matters the parties who seek these contracts are as anxious as, if not more anxious than, the Government of India, to secure contracts. And I think I can say that one of the reasons for suggesting this Resolution is to do away with any sort of preference. I will not contend that any preference has been shown till now. But it is to do away with any sort of preference about which there may be a suspicion or an allegation, not now but, say, ten, fifteen or twenty years hence. I think, Sir, that this is a very healthy convention if my Honourable friends on the Treasury Benches will accept it.

A question was raised as to whether this should be placed before this House or before both the Houses. I think in England the general rule is that all such contracts are placed before the House which controls the purse. I do not think that that question should have been raised from the benches opposite. The Honourable Sir Charles Innes gave an undertaking which was hardly necessary that as long as he was here he would not do anything which he knew would be against the wishes and against the expressed opinions of this House. There is not the least doubt that the Honourable Sir Charles Innes always tried to do things which he believes to be in keeping with the views of the House. But the views of

the House may change all of a sudden for certain reasons of which the Honourable Sir Charles Innes may not be aware. There will then be a misunderstanding and a sort of *impasse*. What is most important to my mind is that a rule like this, though it may not be necessary in view of the personnel of the Government of India to-day, is a healthy rule and should not be disapproved by the present personnel of the Executive. But if you like to put it another way and if that will please you, it will be very useful when Swaraj comes in and when we have our own Executive Councillors. The point is: Will you accept it to-day? I have, Sir, great pleasure in supporting this Resolution and I hope the Honourable Mover of the amendment will withdraw his amendment.

**Mr. N. M. Joshi** (Nominated: Labour Interests): Sir, I rise to support the Resolution moved by my Honourable friend from Madras.

Sir, the previous speakers have pointed out how the present methods of entering into contracts with the Railway and other public utility companies have failed to protect the various kinds of interests. And I wish to add one word as to how the present measure of entering into contracts has failed to protect the interests of the employees of the public utility companies, especially of the Railways. Sir, I do not wish to go into the details of this matter, but I will mention only one thing in which the Government of India under the present method of contracts have failed to protect the rights of the employees of the Railway Companies. Sir, in all civilised countries the employees of industrial concerns and in many countries even of Government departments have the right of association and have also the right of their associations being recognised by their employers. Many of the railway companies in India do not recognise this right of their employees. They do not acknowledge the letters sent by the Associations of their employees and the Government of India have shown themselves impotent to compel the Railway Companies to recognise the Associations of the employees. I therefore feel, Sir, that it is necessary that, when contracts are made with any public utility companies, this House should have an opportunity of discussing the terms under which a contract has been made. This will give the House an opportunity of discussing the conditions of life given to the employees of these companies. Sir, I am not merely speaking from the point of view of the workers. I am speaking from the point of view of the public interests. If an Association is not recognised by a Company, it gives rise many a time to a serious loss to the public. I remember only a few days ago there was a strike on the G. I. P. Railway in Bombay and I am sure that strike would have been averted if the G. I. P. Railway Employees' Association had been recognised. That strike, Sir, has caused a great loss to the public which would have been averted if the Association had been recognised by the Company. I therefore feel that great public interests are involved when the terms of contracts of public utility are settled. Moreover, if the conditions of a contract are discussed in this House from time to time, the interests of the consumers of these public utility companies will be safeguarded. I know the instance of the Telephone Company of Bombay. They have got a long term licence. Sir, every one who uses the telephones in Bombay will be very glad if he could get an opportunity of discussing the affairs of that Telephone Company in this Assembly at an early date. (*A Voice*: "The same applies to Calcutta.") I do not think there will be any difficulty to Government if this method of entering into contracts is adopted. The Government will not be paralysed. I am not in favour of paralysing the Government, as everybody knows. I know there will be no difficulty if the Government, if not responsible, is at least responsive to the wishes of this House.

**Sir Campbell Rhodes** (Bengal: European): Sir, I did not intend to intervene in this debate but I should just like to put a few considerations before the House. I think this debate has shown that the personnel of this House is seriously lacking in practical business men. (Hear, hear). I have been head of a large firm in Calcutta for some 13 years. But we have never worked on the principle that I was not to enter into any contract without provisos and that I had to refer the final draft to my fellow-partners in Calcutta or London. It is impossible, Sir, to enter into negotiations under such circumstances. The Assembly can lay down—and rightly lay down—the general policy which the Government should adopt. But when it comes to the actual negotiations, then, I submit, Sir, it is a matter for a plenipotentiary to deal with the other side. What is the alternative? It

1 P.M. has not, I think, been brought out in the discussion. The preliminary effect will be that the particular contract is laid by the Honourable Member in charge before this House for consideration. It means that the other party to the contract has got to approach every single Member of this House and canvass him for the contract and endeavour to influence him in some way or another (*Sir Purshotamdas Thakurdas*: “Not necessarily.”) Do we want to be worried in that way? I have sat on a Corporation in India and I know the amount of canvassing and worry that goes on. It is much better for our own sakes that we should trust Government with the management of the actual negotiations, even if we lay down, as I say rightly lay down, the general policy for the Executive to adopt. These contracts contain an extraordinary amount of detail and it is impossible for a general Assembly like this to go into the details of the contracts and fight out the whole negotiations in a popular Assembly which is competent to deal with matters of general policy, but is not competent to act as individual business men can act.

**Mr. K. Rama Aiyangar** (Madura and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Sir, I have only to add a few words to what has been already said. I really do not understand the objection the Honourable Member has in accepting this Resolution. As regards the time when it is to be set out for the approval of this Assembly, there is no mention of it in the Resolution. The contracts that are covered by it are pretty big contracts, whose operation is well known to the Government and the Assembly. If only the Government would get the terms of the contract on paper a little earlier than the contract would come into force and place it before this Assembly, it will be a question only of the Assembly suggesting improvements, if any. I really do not see that the Assembly would stultify itself or would cause loss to the taxpayer. Sir Campbell Rhodes talked of the firms he has been connected with. Nobody will deny that the firms managed by our friends of the community he belongs to are taken care of particularly well by business men who know all about them and who would be immediately questioned by the other partners if they were to go astray, but the case of the State contracts are not of that kind. They deserve to be carefully watched; they deserve to be also publicly announced so that questions that might be left out, that might not have been, in the hurry of business, noted by the officers in charge, might be given the chance of being commented on by a representative Assembly of this kind. The reason I would place before the Government for this would be this. We have seen that the Retrenchment Committee's Report has shown fully well how the railways have for some years been very badly managed. Nobody is going to charge any particular officer with neglect of duty or want of control, but the fact is there, that it has been possible to lower the expenses by at least four and odd crores in

the course of a year. That has been accepted so far and it is proposed to further retrench the expenditure. Similarly, other questions that we have come across in connection with the District Board railways in Madras will amply show that the care necessary is not bestowed by a highly centralised board like the Railway Board, or the Member in charge of the Government of India. Details which are really known to the persons in contact with the contracts are not known at all here. In fact the District Board system has not been adopted in other Provinces, and I know Madras suffered considerably because, the strong feeling of the people of Madras could not be immediately communicated to the Railway Board, which took its own time to consider these questions . . . .

**Mr. President:** That does not come under the Resolution. The Resolution, as I have pointed out before, is an attempt to establish the principle of Parliamentary control over the terms of the contract, not over the administration of the railways themselves.

**Mr. K. Rama Aiyangar:** I can see it, Sir, but I only mentioned it in connection with these contracts of the lease of the railways being first placed before the Assembly for the terms to be considered. Of course that is one of the matters that will have to be considered when the State railways are leased out, and the terms of letting to branch railways that may start from them will also have to be considered. I think if only these particular clauses are added to these conditions the working will be much better in the State railways. Similarly, the other questions are such as should be placed before the public, and also when the contract period commences it should have the approval of this Assembly so that there may be no difficulty in bringing out any defects in the contract.

**Nawab Sir Sahibzada Abdul Qaiyum** (North-West Frontier Province: Nominated Non-Official): I move that the question be now put.

**Mr. President:** The question is that the question be now put.

**Khan Bahadur Sarfaraz Hussain Khan:** Before the question is put I wish to withdraw my amendment.

The motion that the question be put was adopted.

**Mr. President:** The original question was :

“ That this Assembly recommends to the Governor General in Council that in all contracts extending over a period of years and creating a public charge, actual or prospective, entered into between the Government and Companies with an English or an Indian domicile :

- (1) for the working of State Railways;
- (2) or for the conveyance of mails by sea or for the purpose of telegraphic or wireless communications,

a condition should be inserted that the contract shall not be binding unless it has been approved by a Resolution of the Indian Legislature.”

Since which an amendment has been moved :

“ That for the original Resolution the following be substituted :

“ This Assembly recommends to the Governor General in Council that in all contracts which will hereafter be entered into by the Government of India with any company either of European or Indian Domicile or any Indian Companies,

- (1) for the management and working of the State Railways;
- (2) for the carrying of mails by sea or air or for establishing telegraphic and wireless communications,

a condition should be inserted that the contract shall not come into force until it is approved by the Indian Legislature in the form of a Resolution.”

The question is that that amendment be made :

The motion was negatived.

**Pandit Madan Mohan Malaviya:** The Honourable Member withdrew the amendment.

**Mr. President:** The Honourable Member was too late. The question is that the Resolution be adopted.

The motion was adopted.

The Assembly then adjourned for Lunch till Ten Minutes Past Two of the Clock.

The Assembly re-assembled after Lunch at Ten Minutes Past Two of the Clock, Mr. Deputy President (Diwan Bahadur T. Rangachariar) in the Chair.

#### RESOLUTION RE TRANSFERRED SUBJECTS IN THE PROVINCES.

**Mr. Bipin Chandra Pal** (Calcutta: Non-Muhammadan Urban): Sir, I move the Resolution standing in my name:

"This Assembly recommends to the Governor General in Council to take early steps to amend Rule 6 and Schedule II of the Devolution Rules so as to include in the list of Transferred Subjects in the Provinces all Provincial subjects other than European and Anglo-Indian Education and Local Fund Audit."

**Mr. K. C. Neogy** (Dacca Division: Non-Muhammadan Rural): Sir, in view of the fact that we have a Resolution of a much wider scope under consideration, I beg to move that the consideration of this Resolution be adjourned *sine die*.

**Mr. Deputy President:** The original Resolution was:

"That this Assembly recommends to the Governor General in Council to take early steps to amend Rule 6 and Schedule II of the Devolution Rules so as to include in the list of Transferred Subjects in the Provinces all Provincial subjects other than European and Anglo-Indian Education and Local Fund Audit."

Since when an amendment has been moved:

"That the consideration of the question be adjourned *sine die*."

The question is that the consideration of the Resolution be adjourned *sine die*.

The motion was adopted.

#### RESOLUTION RE TENDERS FOR GOVERNMENT STORES.

**Mr. M. A. Jinnah** (Bombay City: Muhammadan Urban): Sir, the Resolution that I wish to place before this House is of the utmost importance to India. It runs as follows:

"This Assembly recommends to the Governor General in Council that in future tenders for any article required for any department of the Central Government should be called for in India and in rupees, and that the Stores Department at the India Office only should be maintained in such strength as would enable old contracts to be worked out."

We have recently been discussing the very great question of constitutional reforms, and although this Resolution of mine may not interest every Member of the House, it being a very dry subject, I have no doubt that when Honourable Members understand this question and take the trouble of going into it, they will realise that it affects India most vitally. The question has been discussed and debated for almost the last 75 years. The question is this. The Government of India have to purchase what is called stores, and under that name stores, enormous quantities of articles



of various descriptions are required by various departments in this country; and, Sir, the total amount which is spent in the purchase of these stores comes to almost 20 or 21 crores of rupees. Therefore, I want the House to understand that the revenue of this country, used for the purpose of purchasing these stores, is something like 20 or 21 crores of rupees. I do not wish to go into ancient history, but this question was brought to a head when the Industries Commission was sitting, of which this House is aware, and out of the recommendations of the Industries Commission a Committee was appointed by a Resolution of the Government of India on the 5th December 1919. The terms of reference to that Committee are of very great importance, and, although the Resolution appointing that Committee is very lengthy, I will try to put before the House the important point of reference to that Stores Committee, which was in the following terms:

"The Government of India have decided to constitute a Committee to inquire into the matters indicated in this Resolution and to frame a definite and so far as possible a detailed scheme for the purchase and inspection of stores in India. Certain general principles have been, it will be observed, accepted by the Government of India and the Secretary of State. It will not be necessary for the Committee to discuss these further and they should concentrate their attention on the difficult and complicated task of devising a scheme which will as far as possible meet the needs of the different interests concerned while keeping fully in view the fundamental principles of efficiency and economy."

Now, Sir, the object of the reference to this Committee was that, so far as stores are concerned which are required by the Central Government and the various Departments, they should as far as possible be purchased in such a manner as would be in the best interests of India. The first question that we have to consider is this—what is the present constitution of the system which is conducting these operations, namely, purchasing stores? We had, at the time this report was made, what we called the Stores Department at the India Office and we had some sort of department in India. The bulk of, in fact almost all, the stores were purchased by the Stores Department of the India Office in London. The tenders were invited there and all the tenders that were invited were in sterling. So far as India is concerned, during the War, when we had what is called the Munitions Board, it gave some sort of impetus to indigenous manufactures and articles which could be had in India. The attempt, I believe, was made successfully, because during the War the necessary stores could not possibly be had in this country, and I believe Sir Thomas Holland, who was then the head of that Department, over and over again said that he was surprised at the quotations offered in India for the purpose of getting indigenous articles which the Government of India required. Soon after the war was over these efforts were relaxed and almost disappeared. Again, when this Committee was sitting, the position was that practically the whole of the stores which were required for India were purchased in London by what is known as the Stores Department of the India Office. This Committee, when it went into the question, said:

"In view of the necessity of encouraging Indian industries, while at the same time securing economy and efficiency, in the purchase of Government requirements, the Committee should inquire and report what measures are required to enable the departments of the Government of India and the Local Governments to obtain their requirements as far as possible in India and what central and local agencies for purchase and inspection should be constituted; and what should be the relation of such agencies with one another and with the Stores Department of the India Office or such other purchasing organization in England as may hereafter take the place of that department; and what modifications of the Stores Rules will the scheme recommended by the Committee necessitate."

[Mr. M. A. Jinnah.]

This Committee went into the history of the whole question and it reviewed the various steps attempted which I do not call steps at all, because ever since 1862, although certain proposals were made by the Government of India and successive Secretaries of State one after the other, yet unfortunately the case of India remained where it was. I shall read a passage from the report of this Commission which will enlighten this House as to how our Government, represented as it is by a very able Executive, have not been able to do anything at all. I shall read to you only a small passage. It says:

“ In 1908 Lord Morley was unable to accept the draft rules proposed by the Government of India on the recommendation of the Stores Committee; similarly in 1918, a proposal for local purchase of plant and machinery, which had been discussed with Sir Lionel Abraham and accepted in principle by Lord Crewe, was returned by the Secretary of State for further consideration. In all these cases the correspondence shows the advice of the India Stores Department to have been the dominating factor and we cannot but observe that the attitude of that department has been in the main one of opposition to any measure which would lead to either purchase or manufacture in India and thus result in the gradual transfer of the supply of stores from the British to the Indian field.”

You will thus see, Sir, that the question has been going on since 1862; and right up to the time of Lord Crewe as the Secretary of State for India the position was that the attitude of the department which is called the India Stores Department was to put every difficulty in doing anything which would lead either to the purchase or manufacture in India and thus result in the gradual transfer of the supply of stores from the British to the Indian field. Well, Sir, that has been our fate for the last 75 years. Now, to-day, as far as I have been able to understand the position, it is this. We have now got a High Commissioner instead of the India Stores Department. It is a high sounding name and the High Commissioner is supposed to be the agent of the Government of India. But let me tell this House that, although, instead of calling it the Stores Department of the India Office, it is called the High Commissioner, the rules and regulations by which he is governed are practically the same, and the position for all practical purposes remains the same in fact. He (the High Commissioner) is guided by certain rules and regulations and he is therefore only entitled to invite tenders there in sterling. The Intelligence Department is there; the Inspection Department is there and (I do not wish unduly to criticise the High Commissioner because it is not so much his fault as the system under which he is working)—the result is really that no fair or proper competition is allowed by the European markets; the result is that owing to the manner in which these tenders are invited, the advertisements which are inserted only in the English language do not reach other countries like France, Germany, Belgium, and so on. The result is that in effect really it gives a tremendous advantage to the British manufacturers who are on the spot, who get the information first; and invariably it is really for all practical purposes confined to the tenders coming from the British firms in England. That is one part.

Then you have some sort of department in India, which is supposed to purchase by annual contracts. I speak subject to correction; I frankly admit that this is a very complicated subject and I shall be very glad if the Honourable Member in charge will throw some further light and I shall certainly stand corrected. You have got a department here which enters into what are called annual contracts, and the purchasing department in

India is again controlled by rules and regulations; and the rules and regulations are such that they can best be described in the words of the representation of the Indian Merchants Chamber and Bureau, which I shall read now: They say this:

"The principal features of the new rules that have struck my Committee are:

- (1) hedging in by purchasing officers in this country with such possible restrictions as the furnishing of proofs that it was not bought at rates more unfavourable than in England;
- (2) the need of satisfying himself that the greater part of the articles purchased was manufactured in this country;
- (3) the worst example of the restrictions on the powers of the purchasing officer is the new rule 5 to which we beg to refer.

My Committee think that the only result of such a rule will be that concessions apparently given under other rules for the encouragement of Indian trade and industry will become nugatory, because very few officers will take upon themselves the responsibility of buying in this country and having to furnish the proofs required and will naturally take the easier course of indenting from England to save themselves from future trouble. As the underlying principle of the new rule seems to be to have as great a part of the stores as possible purchased in England . . . . ."

**The Honourable Mr. A. C. Chatterjee** (Industries Member): I am sorry to interrupt the Honourable Member. May I ask him the date of that letter?

**Mr. M. A. Jinnah**: Yes, with pleasure. The date of that letter is 29th September 1921. And may I ask the Honourable Member whether those rules have been altered since? As far as I am aware, those rules have not been altered . . . . .

**The Honourable Mr. A. C. Chatterjee**: They are being altered.

**Mr. M. A. Jinnah**: They are being altered. But have they been altered? Therefore, these observations are perfectly relevant, if I may say so, to the subject matter of this Resolution. Those rules exist to-day, and it is under those rules that you are carrying on your purchasing operations . . . . .

**The Honourable Mr. A. C. Chatterjee**: I think, Sir, to avoid misapprehension, I may explain that, so far as I can gather, the Honourable Member is reading the criticisms of the Indian Merchants' Chamber and Bureau of certain draft rules which were published by the Government of India in March 1921. Since then new rules have been framed by the Railway Industries Committee and those are now under consideration.

**Pandit Shamlal Nehru**: Do the Government propose to put those new rules before this House?

**Mr. M. A. Jinnah**: I am fully alive to the fact that there are many things which are under the consideration of Government at the present moment. The whole administration is under the consideration of Government. I am fully alive to that. But I think the Honourable Member will concede this, that the purchasing officer to-day is guided by those rules. What is the rule, what is the principle, that is laid down as a guide for the purchasing officer to-day in India? Is it or is it not in spirit, if not exactly in letter, what I am reading now? If that is so, I say that rule No. 5 is one which undoubtedly makes it very difficult for any officer to take the risk of producing those proofs. There are so many conditions laid down and his powers are so hedged in that a man will naturally say

[Mr. M. A. Jinnah.]

to himself 'Why am I to take this risk of producing the proofs and satisfying my superior? The best thing is to indent for the goods from England and be done with it.' That is not the way to achieve the object which has been asserted over and over again but never has been carried out. Now let us proceed further. The position really is this. We have been considering this question for the last 75 years, we have been purchasing almost the bulk of our stores in London and those goods are purchased in London, and tenders are invited and those tenders are invited in sterling. Now the question really before the House is this. I will try and reduce it to propositions in order to get a definite answer from the Honourable Member in charge. The first question before the House is this, and I would like the Honourable Member to satisfy us on that. What is being done or what has been done in order to bring about a gradual transfer of supply of stores from the British to Indian fields? Secondly, what has been done, so far as we can, to obtain stores in India manufactured in India, I mean stores in which the Government have a free hand in their purchase? Thirdly, I would like to know what has been done with regard to this question, that those articles which have to be purchased from foreign countries should be purchased (no doubt at the lowest tender, quality alone being the test), at rupee rates? Fourthly, I should like to know the exact system under which we are now working.

(At this stage Mr. President resumed the Chair.)

Fifthly, what steps have been taken, if any, in regard to the question whether London is going to be a branch or the head, whether London is going to be reduced to a mere agency or is it to be the centre? Remember, Sir, the present position is this. As I told the House before, the bulk of the stores are purchased in London, that everything is there, there is hardly anything here which is done for the purpose of purchasing stores. What is it that the Government propose to do with regard to that? The Commission have made their recommendations, and in their recommendations they distinctly say this: They have realised the whole position, and they have recommended a particular policy. I will give the House just a brief summary of what they have said in the various paragraphs as far as I can. In the first instance, they recommend, that London should merely be a subordinate branch and that the centre or the headquarters should be in India. They recognise all the arguments which were advanced, and the arguments that were advanced against it were that there will be the middlemen, that there will be difficulties in the Intelligence Department, that there will be difficulties in attending to the inspection. They have considered all those arguments and they have deliberately come to the conclusion that all those defects can be very easily removed in a very short time, and they fix roughly five years. And they say in their conclusion which I shall read to the House:

"The Stores Department of the India Office",

which at present is the High Commissioner, but practically the same:

"The Stores Department of the India Office shall eventually become a branch of the Stores Department in India. We predict no date by which this change will be effected, the circumstances forbidding any certainty on this point. Assuming, however, that the response of the people of India to the whole-hearted encouragement by Government of their industries is equal to that of the people of Japan in similar circumstances,"

an assumption that need not be doubted:

"we see no reason why the change should not take place within five years."

Sir, then the bulk of the stores required are required by the railways. I believe about 14 crores roughly. We have the State worked railways and we have the company worked railways; and then we have various other Departments, such as the Army, and then there are medical stores and so on and so forth; I do not wish to trouble the House in regard to those details. I, therefore, in my Resolution recommend to the Governor General in Council that in the first instance we should invite tenders in rupees in this country and that all the outstanding contracts may be left to be carried out by such agency as at present exists. But it is quite possible that I shall be asked, what is going to be the future system under which this will be worked? I admit that I have not suggested a system. I do not suggest a system in my Resolution. I think it will be very difficult for any non-official Member to lay down a definite scheme for a system which ought to be established. But I think I have shown sufficiently to this House that the present system is undoubtedly not in the best interests of India. It is entirely for Government after further consultation, if they require further consultation—though I should have thought that sufficient light has already been thrown on the subject having regard to the Industries Commission, having regard to the Stores Department Committee and having regard to the correspondence which has been going on between the Government of India and successive Secretaries of State for India for the last 75 years—to devise some system. But the question really is this. Any system which you may devise must be a system which will reduce London to a subordinate agency while the centre or head should be here and tenders should be invited in rupees. I tell you, Sir, why that system is the only system which will be for the benefit and welfare of this country. If you have the headquarters here, they will be subject to criticism, subject to examination, not only by the public and the press, but by this House. At present it is almost impossible to get any definite information within a reasonable time as to what is happening in London. That is the first reason why I say that the headquarters should be here. Secondly, if the headquarters are here, and if our industrialists and business men know and get accurate information as to what the requirements of Government are, every effort will be made to meet those requirements. Remember that demand produces supply, and there are many articles which can be manufactured in India to-day by firms who at present have no incentive to manufacture them because they do not know of the intensity of the demand, because the demand is placed in London and not in Delhi or even in Simla. I mentioned to you the Munitions Board which was conducted by a very able officer, Sir Thomas Holland. I had the privilege of knowing him and he assured me times out of number "we have been working wonders during the war. It is astonishing the number of articles which we can get here and the materials which are available here." And why, because during the stress of war it was a necessity. We could not get stores from foreign countries or from England, and we therefore had to make herculean efforts and the result was that those quarters where possibilities existed were encouraged, were helped and were given information with the result that a number of indigenous articles were forthcoming for the supply of Government.

My third reason for supporting it is that if you have tenders invited in India in rupees, it is the best; but without anticipating more than I can help—I think I shall be told that the manufacturers may not take the risk of exchange. But, Sir, what is the basis of this argument, if that argument is going to be advanced? I shall wait until I know the reasons, but I think it is obvious and I think the House will agree with me that if

[Mr. M. A. Jinnah.]

you are going to invite tenders in rupees, see the advantage to India. The advantage to India is this, that instead of your having to keep the Sterling money in London for the purpose of paying six months or eight months hence without interest or very little when deliveries are due in London: we are being handicapped to that extent by the locking up of that money against the payment on delivery. If, on the other hand, the rupee tender was invited and accepted, the Government have plenty of notes I think, and they can print a few more if they want (Laughter), and can hand over the currency of the country to the man who gives delivery in this country, I really see no reason against it; I see no difficulty in the matter. We are not the only country in the world which will be following that practice. All other countries invite tenders in their own currency. What country is there which invites tenders in foreign currency? I should like to know that. Then why should we not invite tenders here in rupees? Therefore, Sir, my submission is that the time has come, and indeed it came a long time ago, when the Government of India should take immediate steps to invite future tenders for all stores that are required by the Government in rupees. I understand that the Local Governments, when they want to purchase stores which they cannot obtain locally, also go to the High Commissioner. Similarly, the Central Government, and I believe, the State-worked railways have got to do the same. For the railways which are company-worked railways a similar procedure is laid down, but I understand from the Report of the Commission that they do not utilise it. Therefore, at present the position really is this, that the more you look into it, the more you examine it, it comes to this really, that the very purpose that we have at heart, the very object that we have in view, namely, that we must try and get our stores in this country in the first instance if we can, that we must try and help the industries of this country, and the indigenous goods that this country can and does produce, is frustrated. Of course I am not advocating that we should pay for Indian goods because they are made in India. But the object that we have at heart is really destroyed, is lost, so long as we continue this present system. And therefore I put it before this House, and I am sure that this House will agree with me, and really it requires no argument now, because even this last Committee that was appointed make these very recommendations which I have pointed out to the Honourable Member. This Report was made in July 1920, and since then, as far as I understand, and as the Honourable Member said, the rules are being considered, but hardly anything is done to give effect to the recommendations of the Stores Committee. Instead of the Stores Department of the India Office, we have now got the High Commissioner and practically we are in the same position as we were before. The High Commissioner may lose perhaps his present very pleasant or unpleasant occupation if the proposal which I have put before the House is carried out by Government, but I will point out again from the representation of the Indian Merchants' Chamber, where they also contemplate that the High Commissioner may be deprived of his present occupation. This is what they say:

“What will then be the position of the High Commissioner?”—

and I cannot help quoting it because it seems to me so true:

—“The High Commissioner for India may be continued in London and allowed to act as a sort of post office for purchase, as an official to represent India at ceremonials, which is practically the kind of work done by the High Commissioners for the self-governing colonies and Dominions in London.”

Well, Sir, if we are aspiring to Dominion status, we might follow at least in giving that status to our High Commissioner. I hope that this House will accept the Resolution. I have placed before it.

**Mr. President:** Resolution moved:

"This Assembly recommends to the Governor General in Council that in future tenders for any article required for any department of the Central Government should be called for in India and in rupees and that the Stores Department at the India Office only should be maintained in such strength as would enable old contracts to be worked out."

**Mr. W. S. J. Willson** (Associated Chambers of Commerce: Nominated Non-Official): Sir, I rise not in any sense to oppose the Resolution moved by my friend, Mr. Jinnah, but to support it in the strongest terms I can, but I have to move an amendment in the following words:

"That for all the words after the words 'Governor General in Council' the following be substituted:

'That the present system of stores purchase for Government requirements is not in the best interests of India and should be done away with at the earliest possible moment.

That in its place should be instituted a system of Rupee tender for delivery in India with publication of results in every case.

That this new system should be administered under the supervision of the Government of India by a cadre of qualified officers and that arrangements should be made in India for the requisite test and inspection of the goods purchased.'"

Sir, my amendment differs very little in principle from that of Mr. Jinnah, and I noticed that in a great deal of his speech he really talked more to my amendment than towards his own Resolution, if I may say so. His Resolution reads: "any department of the Central Government". Mine goes further than that and says, "Government requirements" by which I mean throughout the whole of India. He also proposed to abolish the Stores Department of the India Office except for such old contracts as have to be carried out; but in the course of his very excellent speech he advocated the reduction of the London Office to a mere branch of the Indian Stores Department. That is exactly what I propose to do, only of course I worded my amendment before I heard his speech. I trust therefore, Sir, that when he has heard me to the end, he will be prepared to accept my amendment, and I hope that the House will follow me also. Mr. Jinnah asked what is the present system of stores purchase. I will tell him, as I understand it. He referred to the formation of this Committee in 1919 when there was a minority report, which was inimical to the interests of India. It was one—I will not say, I do not like to put it so—briefed from the London point of view, but it was the London point of view that they entirely adopted and which I oppose. As a result of that Committee, the majority Report made radical suggestions that the Stores Department at home was to become a branch of the Indian Stores Department, and encouragement was to be given to Indian industries by guarantees of orders and by the favouring of rupee rates; the restrictions hitherto existing on the purchase of imported stores were to be abolished, and the cheapest markets and those which could supply in quick time were to be favoured; an inspection staff was to be organized and set up, and the then existing Stores Purchase Rules were to be substantially revised. The existing stores purchase organization arose from that. But now, when

[Mr. W. S. J. Willson.]

Mr. Jinnah asks what is the present system, I will define it thus. In March 1921, the Government issued a Circular No. S. 183, when it set up a Controller of Stores, with local purchasing staff at Calcutta, Bombay and Cawnpore. But, Sir, immediately afterwards a Circular No. S. 217 of March 1921, was issued which consisted of a practical turning down of the majority Report. Its ruling is that purchases from agents and importers are still prohibited, hampering purchase rules are still maintained, and we are informed that purchase at home is to be the rule rather than the exception. That, Sir, is in reply to Mr. Jinnah's question as to what is the present position, that is the answer, and I say that it is a scandal. The remedy lies within the scope of my amendment,—that in place of this stores purchase system there should be instituted "a system of Rupee tender for delivery in India with the publication of results in every case." That will ensure fairplay to everyone.

I might have said that in 1921, when the Government—the Indian Government—were in favour of developing industries in India  
 3 P.M. under the rules, it took only a month or less than a month for those rules to be changed. Now, as the result of the Stores Purchase Committee, to which Mr. Jinnah referred we are told that it will take the best part of 5 years to bring in such a system as is proposed. The history of the case from 1862 onwards has shown time and again that the authorities at home have been only too anxious to plead for "the encouragement of industries in India" whenever they have been able to use that argument in favour of London. For example, as a result of the 1913 Stores Purchase Rules, when it was asked that they should be altered to the extent of allowing purchases from the local branches of recognised English firms, the idea was turned down in 1914 as "wasteful and positively deterrent to manufacturing enterprise in India." That is when it suits London! It was in 1905, Sir, that the Indian Engineering Association on the Committee of which body I shortly afterwards found myself, first started agitating this question. They pointed out that the policy of the Government inflicted great hardship on manufacturing and importing engineering firms. They pointed out that the latter held large stocks of stores and tools and that if Government orders were closed against them, they would have to limit the sphere of their activities, with the result that their stocks in this country would be depleted and the extension and development of industries would be retarded. That is the position to-day. It is all very well for the people in London to argue, and argue and argue again the question of the cheapness with which they are able to purchase in London. But so long as manufacturers in India have the gates barred against them for the largest offtake, which is Government supplies, so long must their prices remain up, so long will they be debarred from manufacturing in large quantities, so long will their over-head charges be high, and so long will they fail to get at any thing approaching mass production. It is then unfair to throw in the teeth of India that we are unable to produce things at prices which will compare with London. On the other hand, Sir, you have numerous manufacturers here and gentlemen in the engineering trades who are able to assert and to prove to the satisfaction of any reasonable person, that higher prices do not even now, under the existing wholly unfavourable state of affairs, obtain, and they are able to tender and to prove that their prices are in many cases no higher than the prices paid in London. As a result of the existing system large orders are sent home from India, and in the Incheape Committee's report, it is mentioned



that in March 1922, there were no less than Rs. 59,00,00,000 of Government money locked up in stores, a figure which represented about 45 per cent. of the total revenues of the Central Government at that time. Sir Edgar Holberton made a calculation on the little subject of interest, and he came to the conclusion that if interest on that figure were calculated, it would amount to another sum of about Rs. 3,50,00,000. Now, Mr. Jinnah dealt lightly with the point of exchange and he very rightly said that the system of the Government of India is to pay cash at home for their purchases. That money is then locked up for a great many months until the goods come into use. Now, there are—and I do not forget their interests either—representatives in India of firms who manufacture at home and the firm whose business it is to manufacture for stock, does not mind if it holds part of that stock in India. It may just as well hold it in India for the Government's requirements, as hold it in Middlesborough or anywhere else. But the point is that India need only have to pay as it takes it out of their godown in one of the chief sea ports, Bombay, Karachi, Calcutta or Madras. Further, the Indian Government are not noted for being very fine payers and they have a very nasty habit of—shall I say—"pinching" some 3 or 4 months interest on the value of goods which are supplied to them. The remedy, I submit again, Sir, is to develop the present Stores Department which we have in India. The organisation, I believe, is under the control of a gentleman named Mr. Pitkeathly. I have never met him, but from anybody—official or non-official—I have never heard the expression of anything but the highest appreciation of his knowledge, ability and organising powers. (Hear, hear.)

I am afraid my Honourable friend Mr. Chatterjee may, in dealing with this matter, attempt to take refuge in the fact that the present Stores Department is somewhat small and might be unable to deal with so large a purchasing scheme as this change of system must necessarily introduce. But if, as I believe, it is under the head of such a man as Mr. Pitkeathly, I have no hesitation in saying that he will be able to develop that department as and when occasion demands, and it cannot be said that men are not available or that employment is so great that you cannot get them.

The system of Rupee tenders in India will not preclude tenders from abroad, from Germany, Italy or elsewhere. We see in this morning's "Pioneer" that a large order for locomotives—has been placed in Hamburg, and Italy. But I shall be quite satisfied if the London office is reduced to a branch of the Indian office. I shall be quite satisfied that this head office in India will take such steps as may be necessary to secure that those tenders are put in where India dictates, which, I presume, would be Bombay or Calcutta. All the conditions are known; the rates, the charges, everything that has to be paid here is readily available, and merchants, no matter where they reside, can, if so desiring, easily find out and include it in their quotations.

There is another aspect of the question with which Mr. Jinnah did not deal, and that is this. Supposing for the sake of argument—and for the sake of argument only—the prices that we might have to pay under the system which I propose are a trifle more than the prices at which they could be bought at home, you will all the time be developing those industries and so lessening the cost. You will be using to a large extent your own raw material—let us say you will be using Tata's steel. Very well, then you will be saving what you may have to find in another way—

[Mr. W. S. J. Willson.]

I do not know, perhaps, in the shape of bounty or something else of that kind,—if you use your own material as far as you can. The Government will also derive additional benefit from the downward railway traffic on the raw steel. It will have to go by rail to the place where the factories are. Profits will be made in the production of materials and those profits will pay income-tax and in many cases I expect super-tax, which will come back into the coffers of India. Many of the employers' staff will also pay income-tax and the whole of these wages earned in the production will be spent in the country.

I refuse to believe or to accept the statement that foreign manufacturers will not tender in rupees. They will and they will have to. There is no impossibility about it. If they go to the banks, they can cover their Exchange.

A great deal has been said about the superiority of test and quality at home. I should be one of the last to belittle the value of quality and efficiency, which I believe are almost synonymous terms for economy. We have already at Alipore a Government Test House. If that is efficiently administered now, it can be developed as occasion demands and could and must be brought up to meet the demands of India and to ensure that all our public works get the best possible quality and workmanship. Mr. Chatterjee may, I am afraid, want to make the point that what I suggest is a question of money, that it may require capital which will require a great deal of getting out of Sir Basil Blackett. My suggestion to that, Sir, is that the money is spent now; that we do not get services in London for nothing. We pay for them, either directly or indirectly, and if the money is spent, our desire is that it should be spent in India. In conclusion, Sir, I hope that I have made out a good case in support of my amendment.

To sum up: I have argued for the encouragement of Indian industries, for the saving of interest on Government funds, for the ability of India to manage this department, for the increase of the wealth of India, for the use of Indian steel and raw materials and for the development of this system on a larger scale and for the abolition of a system which, I respectfully submit, "is not in the best interests of India and should be done away with at the earliest possible moment." (Applause.)

**Mr. President:** Amendment moved:

"That for all the words after the words 'Governor General in Council' the following be substituted:

'That the present system of stores purchase for Government requirements is not in the best interests of India and should be done away with at the earliest possible moment.

That in its place should be instituted a system of Rupee tender for delivery in India with publication of results in every case.

That this new system should be administered under the supervision of the Government of India by a cadre of qualified officers and that arrangements should be made in India for the requisite test and inspection of the goods purchased.'"

**The Honourable Mr. A. C. Chatterjee:** Sir, if I may venture to do so, I should like to congratulate the Honourable the Mover of this Resolution on the very interesting speech to which he has treated us on what we called a very dry subject. I cannot claim his eloquence and I am afraid that I may tire the House in trying to throw a little bit of light here and there on this dry subject. But I hope that the House will listen to me with patience. I

make this appeal especially because I find that both Mr. Jinnah and Mr. Willson labour under certain misapprehensions regarding the system. I say so with respect and with great diffidence. But it seemed to me that neither of them realised there is nothing at present in the rules to prevent our purchasing in India articles which are manufactured in this country. Mr. Willson, I noticed, said that one of the special advantages of the change in system which he has advocated would be that we shall buy Indian manufactures. I repeat again, Sir, that even under the present rules Indian manufactures do receive a preference. I shall read out the rule :

“ All articles which are produced in India in the form of raw material or are manufactured in India from materials produced in India should, by preference, be purchased locally, provided that the quality is sufficiently good for the purpose and the price not unfavourable.”

And there is also a rule that :

“ All articles manufactured in India from imported materials should, by preference, be purchased in India subject to certain conditions.”

I have no desire, like Mr. Jinnah, to go into the old history of this subject. But as Mr. Jinnah has asked me to tell him what the present system is, I should like to do so as briefly as possible.

The Indian Industrial Commission, of which my Honourable friend the Pandit was one of the distinguished Members, went into this subject and made recommendations that Government should develop the system of purchase locally and should liberalise the existing rules in order to give further encouragement to Indian industries. In pursuance of this recommendation the Government of India appointed a Committee, as Mr. Jinnah has stated, towards the end of 1919. That Committee deliberated in 1920 and its recommendations were examined in the Government of India in the early part of 1921. It was then that the circulars to which Mr. Willson has referred were issued. Those circulars did not promulgate any new rules at all. They merely stated the provisional views of the Government of India on the subject of the revision of Stores rules and on the subject of the establishment of a Central purchasing department in England. Public opinion was canvassed on the point and we received the views of Local Governments. The question was again discussed in this House in the winter Session of 1922 and, on the recommendation of my late lamented friend, Sir Vithaldas Thackersey, my Honourable Colleague, Sir Charles Innes, agreed to the appointment of a Committee which would go into the question of the revision of the Rules. That Committee took considerable time to make their report. As soon as their report was received, the Government of India again went into the subject and submitted their recommendations to the Secretary of State. I admit there has been a certain amount of delay but I claim that the delay has all been to the good, because we have been thereby able to come to a more satisfactory decision with regard to the revision of the rules than would otherwise have been possible. I claim that the Committee, of which my Honourable friend over there, Sir Campbell Rhodes, and Sir Vithaldas Thackersey were members, very considerably liberalised the rules which had originally been drafted by the Government of India. Although we have not received the final orders of the Secretary of State on those rules, I may inform the House that in one particular regard we have been informed that he has accepted the recommendations of the Committee and that is with regard to the main proposal which the Committee placed before Government, namely, purchases in India from agencies and branch houses.

[Mr. A. C. Chatterjee.]

For the information of the House I may be permitted to read out the revised rule and I think my friends on the other side will admit that this is a very large departure. The new rule runs thus:

"Articles which are not manufactured in India should be obtained by indent upon the Store Department, London, except in the following cases:

- (a) When the articles are already in India at the time of order or are already on their way out and their price and quality are not unfavourable as compared with those at which similar articles could be obtained through the Store Department, London, and the cost of supply does not exceed certain limits."

The limits also have been very considerably enhanced.

**Sir Purshotamdas Thakurdas** (Indian Merchants' Chamber and Bureau-Indian Commerce): Would you mind reading out the limits?

**The Honourable Mr. A. C. Chatterjee:** That is a very long list. I will give the Honourable Member this paper after I have done with it.

That rule runs on:

"(b) In the case of important construction works let out on contract articles not manufactured in India required for the construction of such works may be supplied by the contracting firm subject to the following conditions:

- (i) that the firm is approved by the Chief Controller of Stores, Indian Stores Department,  
 (ii) that the materials are subject to the current specifications and tests prescribed by the Government of India.  
 (c) (*This is the portion to which I wish to draw the attention of the House*) Plant and machinery and component parts thereof may be purchased from branches established in India of manufacturing firms borne on the list of the Chief Controller, Indian Stores Department, provided that the following conditions are observed:

- (i) The purchase is made by the Chief Controller of Stores or by a highly qualified engineer directly responsible to the Government of India for the order so placed;  
 (ii) That the plant and machinery are of standard patterns such as are ordinarily manufactured by the firm and have actually been so manufactured;  
 (iii) That the branch firm entertains a staff of expert mechanics capable, if so required, of erecting and repairing the plant and machinery which it so supplies;  
 (iv) That the actual prices of the articles (exclusive of any expenditure representing cost of erection) is as low as that at which articles of the same make can be supplied by the Store Department, London;  
 (v) That when test or inspection of the plant or machinery during manufacture or before shipment is necessary or desirable, arrangements should be made for such test and inspection to be carried out by the Store Department, London."

I may mention that branches have been defined to cover approved technical agents of manufacturers who do not merely act as selling agents, but are also in a position to render the same kind of technical assistance in India as actual branches of the firms. It will thus be seen, Sir, that practically all the recommendations of the Stores Purchase Committee have been accepted, with two notable exceptions. One is with regard to purchase from importers, and the other is with respect to the authority to which the High Commissioner, or rather his Department dealing with

purchases in London, should be subordinate. The Stores Purchase Committee did make what I may call a somewhat lukewarm recommendation with regard to purchases in India from importers. This recommendation was not in very emphatic terms. All they said was :

“ We incline to the opinion that, though certain rules should be continued to be laid down for the guidance of departmental purchasing officers, no hard and fast rules should be laid down to regulate the operations of the Indian Stores Department.”

I wish to point out, Sir, that the Government of India have throughout been anxious to safeguard the interests of Indian industries, as distinguished from the interests of people who import materials and goods from other countries and do not start actual manufacture in India. It was really with that view that they did not wish to include in their recommendations the proposal made by the Stores Purchase Committee for purchase in India of articles which have not been manufactured in India, but which have merely been imported from abroad. They were afraid that Indian enterprise instead of going into the channel of manufacture and fabrication in India would merely be diverted towards commerce, or rather to the importation of manufactured articles. However the view was merely provisional, and, as I have said, now we have got authority to purchase from branches or agencies. The advantages will be that these branches and agencies will have workshops in India and will train Indian workmen in these branches and workshops. From this stage the stage of fabrication and the stage of manufacture are merely steps. We do hope that manufacturers in other countries, when they start branches in this country, will find that there is a sufficient market in this country which will induce them to go on to the further stages I have mentioned, of fabrication and manufacture. We want the manufacture to be established in India; we do not merely want to import articles manufactured elsewhere.

I think, Sir, I have answered Mr. Jinnah's questions with regard to the present system. I now wish to explain the position of the Indian Stores Department, which has received praise from Mr. Willson, and about which Mr. Jinnah has displayed considerable inquisitiveness. In pursuance of the recommendation of the Stores Purchase Committee, the Government of India decided to start a central organisation in India for purchase on behalf of the different Departments of the Central Government. We cannot force Local Governments to purchase through us, but we hoped that they would also join and utilize the expert agency that we intended to provide. In March 1922, two years ago, we proposed a certain sum in our Demands for Grants for the creation and the development of this Department. This House, Sir, cut down the amount which we asked for by 50 per cent. Even the amount that was granted by the House could not be spent on account of the fact that, in pursuance of the recommendations of this House, a Retrenchment Committee was being assembled, and Government decided that all new expenditure was to be stopped. Then came the Retrenchment Committee, of which my friend opposite (Sir Purshotamdas Thakurdas) was a distinguished member; that Committee said, this Department was to mark time and Government should not allot any money for this Department. Well, Sir, the Government did not accept the recommendations of that Committee. The Government accepted what they considered was the general view of this House and also of the Council of State and they proceeded with the formation of the Department and its development. And I think the Department that has been newly organised, that is only in its infancy, and to which I am glad Mr. Willson has paid a compliment, has already achieved very substantial results. I need only mention, Sir, that

[Mr. A. C. Chatterjee.]

during the past financial year, the Department made purchases to the extent of more than a crore and a half of textiles, and of these purchases, 92 per cent. was manufactured in India.

**Dr. H. S. Gour:** What about the other stores?

**The Honourable Mr. A. C. Chatterjee:** As regards the other stores, I have already explained that you did not give us money last year. We got a little money this year and we have just begun purchasing engineering stores, and I hope to be able to render as good an account with regard to these engineering stores as I have done with regard to textile fabrics.

Therefore, Sir, it will be evident that the Government of India are doing all they can to go in the direction that my Honourable friend the Mover and my friend Mr. Willson want them to go. I should like here, Sir, to correct some misapprehensions on the part of Mr. Jinnah as disclosed in his speech. He said that although the India Stores Department in England is now under the High Commissioner it is practically still under the India Office. I have repudiated that statement elsewhere and I wish most strongly again to repudiate any such allegations. The High Commissioner, so far as stores purchases are concerned, is under the Government of India and not under the Secretary of State. Mr. Jinnah also stated that according to the present practice the High Commissioner only advertises in England, that his advertisements do not reach foreign manufacturers and that he does not purchase in foreign countries. I do not think, Sir, that that was a fair statement of the case at all. As Mr. Willson has pointed out, even this morning's newspapers contradict any such allegation. Sir Dadiba Dalal is most anxious to carry out the instructions which the Government of India issued to the High Commissioner two or three years ago to purchase in the cheapest market and to accept only the most satisfactory tenders. He has been devoting a great deal of personal attention to this subject of the purchase of stores in London and from foreign countries and I think it is only fair to him to state that he has given particular attention to this point regarding his advertisements reaching foreign manufacturers. Why, Sir, only the other day I laid before the House a statement in which the High Commissioner explained the various items in regard to which he was compelled by force of material reasons to accept tenders higher than the lowest. If the Honourable gentleman will peruse that statement he will find that tenders were received from practically every country in Europe.

**Mr. M. A. Jinnah:** I may say, Sir, that I never attributed any kind of moral turpitude to the High Commissioner who is personally known to me.

**The Honourable Mr. A. C. Chatterjee:** I am glad, Sir, the Honourable the Mover has made that statement. Of course I did not understand him to ascribe any moral turpitude to the High Commissioner, but so far as I can remember, Sir, he did say that no proper competition was allowed and that the advertisements did not reach other countries.

**Mr. M. A. Jinnah:** I said it was not possible under the system that prevails.

**The Honourable Mr. A. C. Chatterjee:** Well, Sir, I think I have demonstrated that it is possible and that it is done.

Now, Sir, it remains for me to deal with the question of Rupee tenders. My Honourable friend opposite did not specify in any very great detail the advantages that he thought would accrue to India from Rupee tenders. What he said was "Buy Indian goods provided that the quality was good and the price compared favourably." Well, I have explained, Sir, that we are buying goods manufactured in India when the quality is good and the price does not compare unfavourably. I admit, Sir, as I have done before, that there are certain obvious advantages in Rupee tenders. We shall be able to get foreign manufacturers to establish agencies and thereby stimulate competition, but, as I have already said, we have revised the rules which will enable us to buy from agencies in India and I hope that this alteration in the rules will in itself bring about the establishment of agencies and branch houses in this country.

Then, Sir, I remember a very notable minute of dissent by my Honourable friend, Sir Campbell Rhodes, to the report of the Railway Industries Committee in which he emphasised the value of encouraging importing firms to settle in India. His view was, if I recollect aright, that, if importing firms were encouraged, they would gradually go on from imports to fabrication and from fabrication to manufacture. Well, we have met him half way. We have altered the rules so that we may be able to purchase from agencies. Those agencies will fabricate and from fabrication they will go on to manufacture. My Honourable friend, Mr. Willson, has also pointed out a very important argument, namely, that if we were able to purchase from importers here we should not have to carry the very big stocks that we have to do at present. I fully admit the value of this argument. But then, Sir, there are a great many disadvantages also which accrue from a system of Rupee tenders. I do not say they are insurmountable but the disadvantages are there. First of all, when we buy in England through our own agents there, namely, the High Commissioner, we effect a very considerable saving in freight charges. The High Commissioner bulks his purchases and sends them out to India in steamers in which he gets special concessions of freight on account of the large bulk of his shipments.

**Sir Purshotamdas Thakurdas:** I am sorry to interrupt the Honourable Member, but I hope he will not mind if I ask him what concessions he has got during the last five years in the matter of freight?

**The Honourable Mr. A. C. Chatterjee:** I should like notice of that question. I can only make a general statement. It is very difficult for me, Sir, to bring along with me all these details with regard to the actual concessions the High Commissioner has received during the last five years, but I shall be quite pleased to show the papers to my Honourable friend. As a matter of fact this point is admitted in the Stores Purchase Committee's report. A similar argument applies to the case of insurance. The High Commissioner does not insure the articles that he ships to us now, whereas private importers would have to pay higher freights, as I said before, and would have to pay insurance rates also. Then, Sir, there is the question of inspection. I am glad that my Honourable friend the Mover has so far modified his views as not to have suggested that we should entirely do away with all organisation in England. For a long time to come we shall have to purchase a great many articles in foreign countries. They cannot be produced in India and they will not be produced for a considerable number of years even though Indian enterprise were much more vigilant than it is at present, and we will have to maintain a staff in England or on the Continent for purposes of inspection. We

[Mr. A. C. Chatterjee.]

could not, for instance, buy railway material without constant inspection during the process of manufacture. We dare not risk the lives of millions of people who travel on Indian Railways. Similarly we must have an agency there for purposes of intelligence. We do not want to buy in India without knowing actually what are the world prices for the articles that we buy at any particular time. We must have an agency in England. At present we utilise the agency of the High Commissioner. My friend, the Honourable Mr. Jinnah, said, quoting from a letter from the Indian Merchants Chamber, that the High Commissioner should be left in London only for ceremonial occasions. No doubt my friend, Sir Dadiba Dalal, would like that. I am sure he would look very handsome and extremely dignified in flowing Indian robes appearing at all kinds of functions; but, Sir, we owe a duty to the Indian tax-payer; we want to make as much out of the High Commissioner as we can; and in this respect we are only following the custom of the Dominions. So far as my knowledge goes practically every Dominion uses its High Commissioner for this purpose in England and we are only following the same custom. Then, Sir, the Honourable Mr. Jinnah, with his light and deft touch, brushed away the question of exchange. It is not so easy as all that. It is certainly an advantage to be able to pay in rupees and not to have to keep a balance in London for the purpose. But we should have to pay for it some time or other. We must pay for our goods. At present we can buy sterling when exchange is strong and keep out of the market when exchange is weak. The European or American manufacturer tendering in rupees would have to protect himself against exchange, as my friend Mr. Willson pointed out. That cover will eventually have to be paid for from Indian revenues. So the question of exchange is important and, as a matter of fact, it is not right to say that no other country ever calls for tenders in a foreign currency. When England was purchasing very large quantities of material in America during the war, I believe she always called for tenders and made her purchases in dollars and not in sterling. (An Honourable Member: "It was war time.") Yes, it was war time. I admit; but war time has been quoted by my Honourable friend against the Government of India. He said that during the war the Munitions Board made enormous purchases in India and, as soon as the war was over, we went to foreign countries. That was simply because during the war we had to purchase almost anything we could get and at any price. Does my Honourable friend want me now to go and buy in the market at the prices that we paid during the war? Similarly, in those days we purchased articles of whatever quality we could possibly get. Now we want articles of good quality and at reasonable prices. We do not want, therefore, to confine ourselves to purchases in India.

I have taken up a great deal of time, Sir, and I wish now to sum up. I have pointed out that we have already taken a very big step forward in liberalising the rules and in authorising purchase from branch houses in this country. We hope to get very notable results from this departure. Let us watch the effects of this new rule on the development of Indian industries. I yield to none in my admiration for the qualities of Mr. Pitkeathly who has been an acquisition to the new Indian Stores Department. But, in spite of what Mr. Willson said, I do not expect impossible things from Mr. Pitkeathly. It will not be fair to him. Give us time to develop our department and I hope that the Indian Stores Department will come up to the expectations of even my friend, Dr. Gour. As I have said, we



have not lost sight of the policy of Rupee tenders. We have got it in mind and in whatever we may do with regard to stores purchase in the near future we shall keep this question of the feasibility of Rupee tenders in mind. But, Sir, at the present moment I am unable to accept either the Resolution or the amendment. I should like to have more time to develop the department. I should like to look round and see how purchase in India from branch houses gets on; I should like to have more money from my Honourable Colleague (Sir Basil Blackett) for the Indian Stores Department and I should like you not to cut down the grant which I shall ask for. Then, when you have given me a little more time, I shall be glad to discuss the question of the desirability or the feasibility of Rupee tenders in India.

**Mr. H. G. Cooke** (Bombay: European): Sir, I am not an expert in the procedure of this House; but the other day I believe a Bill was withdrawn to be re-introduced. It occurs to me that it may be possible for the proposer to withdraw his proposal and for the Mover of the amendment to do the same, and to re-introduce them later, because I am afraid I do not like either the proposal or the amendment. The proposal of Mr. Jinnah demands that in future tenders for *any* article required for Government purposes are to be called for by Rupee tenders. Accordingly, if the Government wish to go to Jaffa for oranges or to Italy for a particular type of aeroplane, they are prohibited from doing so unless they get a Rupee tender. By insisting on a Rupee tender in the case of the aeroplane they might possibly be paying a considerably larger sum.

With reference to the amendment, Sir, it seems to me that the last paragraph rather condemns the whole thing, because, if you are going to demand that arrangements should be made in India for the requisite test and inspection of the goods, it may in certain cases require an expert from a foreign country to conduct that test. You cannot lay down hard and fast rules in a matter of this sort. It is quite true, we have the Stores Purchase Rules to which we are bound to some extent, but I must say that I do not think that either proposal put forward is entirely practicable.

**Mr. Bhubanananda Das** (Orissa Division: Non-Muhammadan): Sir, I rise to support the Resolution moved by my Honourable friend, Mr. Jinnah. I also congratulate Mr. Willson for the very sympathetic way in which he has spoken this afternoon. This, Sir, is a striking illustration, of which the Honourable the Home Member may make note, that in case we get Sawraj, British commerce and Indian commerce, the Indian people and Englishmen, can work together harmoniously, as shewn in this Resolution moved to-day, which has received at least full support and sympathy from the Honourable Mr. Willson. I do not see any difference between the original Resolution and the amendment of the Honourable Mr. Willson, but I would rather support the Resolution of the Honourable Mr. Jinnah, because it is more specific; it requires that in future all tenders should be called for in India and in rupees. We want that all Rupee tenders should be received in India. The Honourable Mr. Willson has said that tests and inspections should be made in India, while we want that tenders should also be received in India for all articles and they should not be purchased through London.

In the course of the replies which the Honourable Mr. Chatterjee gave to some of the points raised this morning over another Resolution, he said that he speaks like an Indian and feels like an Indian. We are

[Mr. Bhubanananda Das.]

also Indians; we represent the Indian people here; the only difference being that our hearts and sentiments move with the desires of the people of India at a very rapid pace, but we find the same are not in unison with that of the Honourable Mr. Chatterjee. It is perhaps because he has been too long in that "steel frame" body and that he has been too much absorbed with the spirit of the steel frame and that he is not able to feel in the same way as we all feel. The Honourable Mr. Chatterjee said that the rules of the Stores Purchase Committee in India have been amended in such a way that they give a chance for the purchase of stores in India. Sir, it is not the rules that we want to be amended, but it is the system, it is the principle that we want to see changed. For too long a time promises have been given, pledges have been given, but they have never been fulfilled nor kept. The rules might be framed, but they are never adhered to, and I will refer to this matter later on to show that the principles laid down in the Report of the Indian Stores Purchase Committee have not been given effect to.

Sir, as regards the Rupee tender, I, as an Indian, wish that any tender that we may call for should be called for in our coin, and the rupee being the coin in India, I urge that all tenders should be called for in rupees. When it affects any political question, it may be said that such things cannot be allowed. Well, may I ask in matters pertaining to commerce why should sterling quotations be introduced? Are we always to be thought inferior in every matter that concerns India? The late Mr. Gokhale once said in one of his budget speeches that an Indian, however tall and however intellectual he might be, was always thought inferior in any sphere of life in the eye of the Government. Let the Government think so of an Indian in the political sphere, with which, of course, I do not want to deal at present as there are abler and greater stalwarts in this House who will deal with that aspect of the question; but in industrial and commercial matters, in a department over which an Indian is presiding, we feel that no Indian is inferior to any Englishman. In industrial and commercial matters we feel that we can manage, administer and look into them as efficiently as any Englishman or other foreigner can do. In those matters I think we are equal to anybody in any part of the world. If we look to the industrial magnates of Bombay we see that they are doing as well if not better than any other industrial magnates or industrialists in any other part of the world. Why should we Indians be thought always inferior in those departments in which we can hold our own? The Stores Purchase Department is left in charge of an Indian. Why should not the administration there be completely Indianised? That is a question which ought to be answered. The Honourable Mr. Chatterjee says that the Government are trying to give Indian industries a chance. There have been Departments of Industries in every province, but nowhere do we see an Indian appointed as Director of Industries, nowhere do we see an Indian industrialist appointed as Director of Industries. Everywhere we find a member of the steel frame presiding . . . . .

**The Honourable Mr. A. C. Chatterjee:** May I rise to a point of order, Sir? Is the question of the appointment of Director of Industries germane to the discussion we are now having? I may add, Sir, that those appointments are made by the Provincial Governments.

**Mr. President:** I am afraid I did not catch what the Honourable Member has been saying.

**Mr. Bhubanananda Das:** Sir, I was suggesting that in the Departments of Industries there are no Indian industrialists appointed as Directors of Industries. The Provincial Governments cannot give effect to the pious wishes of the Honourable Member for Industries in this matter. That is all that I have said.

Then, Sir, the Honourable Mr. Chatterjee referred to the question of exchange. It may be, but we do not care, if we lose a few annas and pies here or there, if the tenders are called for in rupees and in India. What we want is that all tenders should be called for in India. Why should not all tenders that are received in India be in rupees?

I now come to the question of the Indianization of the Stores Purchase Department. Here I have got a Report which was issued very recently by the Stores Department, and although I admit that its activities had been limited by the recommendations of the Indian Retrenchment Committee and although the Indian Stores Purchase Committee recommended that the members of the Department should as far as possible be Indians, effect has not been given to their recommendation in this matter. Only the other day, Sir, in reply to a question of mine the Honourable Sir Charles Innes said that there was no Indian Member in the Railway Board. Why? Because there are no Indians as Traffic Managers, no Indians as Chief Engineers. Well, why is it so? Because they are not given any chance to rise to those positions. While the Stores Purchase Committee strongly recommended Indianization and while the Department is under an able Indian like the Honourable Mr. Chatterjee, I find in the appointed list of officers there is only one Indian who occupies a very minor position. But there are many experienced purchasing officers and salesmen who could very well be appointed to high positions in the Stores Department with great advantage to Government. I think there are very many business houses in Bombay and Calcutta who employ Indian officers and who make far larger purchases than the officers now employed by the Stores Department. The Stores Department have only purchased stores of one crore and half during their period of activity while Indian purchasing officers in Bombay deal with far larger sums. What then prevents

Indianisation of this department? I do not mean that the European element should not be maintained, but that so far as the Indian Stores Department is concerned it should be so recruited from the Indian element that it may become completely Indianized, or at least the greater portion of it. And here I may remark that pending the appointment of the Indian element to this Department, of those officers who have been appointed, only those already in a permanent grade should be allowed to remain in the permanent cadre and future recruits shall be only temporary till Indians are taken in for the permanent staff. We do not want to see fresh armour added to the steel frame. We wish to see it reduced. We are trying to reduce the steel frame so that there is only a steel case to the Government of India. With these remarks, Sir, I support the Resolution moved by the Honourable Mr. Jinnah.

**Sir Campbell Rhodes** (Bengal: European): Sir, this is not one of those cases where we are accusing the Government of hectic and indecent haste. Again, as I said this morning in another connection, I must deplore the absence of what I regard as a sufficient number of business and industrial men in this House. In fact we are so deficient that this Resolution has had to be moved, and moved in very eloquent and convincing terms, by one who is not a business man, though he grasps business questions so thoroughly

[Sir Campbell Rhodes.]

that even the Honourable Member for Commerce this morning was under the impression that he belonged to that humbler but more useful set of people to whom Mr. Willson and myself belong. I have not heard from Mr. Jinnah yet that he has accepted the amendment of Mr. Willson as put before the House. I sincerely hope that he will find his way to do so, because, in spite of what has fallen from Mr. Cocke, I can assure the House that in this matter Mr. Willson has the whole European commercial opinion in India behind him. Now, Sir, I have, as the Honourable Member for Commerce knows, when he was in charge of this Department, criticised the Central Stores Department, at least the project before it originated two years ago, owing to an optimism which I much regret now. I said that I feared that it would grow into an octopus. To-day, Sir, it remains merely a shrimp. The Honourable Mr. Chatterjee has quoted from rule 3 of the proposed rules where he says he has met me half way in regard to the purchase of imported stores. In that minute of dissent to which he referred and which he thinks so valuable that he has seen his way to ignore it, I said:

"My chief objection, however, to the Stores Purchase Rules is centred in rule 3 which appears to arrogate to the Stores Department in London an authority inconsistent with India's freedom of action in the matter of purchases for her own requirements."

Why, Sir, I ask, should India bind herself not to purchase imported stores unless they are actually in the country? Why should she not have complete freedom of action? There are valid reasons why she should. Mr. Willson has mentioned a question of interest. I will mention another very important question. When I was President of the Bengal Chamber of Commerce, I had an inquiry from Government as to the quantity of stores usually held in Calcutta by importers of certain articles. If those stores were held in any considerable quantity it would be a wise thing for Government not to hold such a heavy stock for emergencies. Now, Sir, if the largest buyer in the country is not going to buy from the importers, how are they to hold stocks which in times of sudden national emergency will be on the spot and can be commandeered? Mr. Chatterjee's objection is that once an importer always an importer, and that we shall not get down to manufacture in India if Government buys from the importer. May I tell him that my countrymen came to India to trade and have remained to manufacture. (*The Honourable Mr. A. C. Chatterjee*: "In certain directions.") May I instance a case of mine, where, finding I could not get the kind of barges I wanted in India, I had to buy them in London, bring them out and erect them in Calcutta. Very quickly my engineer told me that he would rather have the sheets unpunched if I would get him a punching machine. Then he told me that his workmen were now trained, he could make his local plates cheaper and might he make the whole barge from start to finish in India. I think that is the way, Sir, in which many industries in India will slowly start without any of that financial loss such as we had in the recent boom. I may instance something else. I came out to India solely for the purpose of selling Lancashire goods. I can tell my friends here that if they want any cloth of Bombay manufacture I can supply it from my office in Calcutta. Mr. Chatterjee has mentioned several objections to Rupee tenders. There is that enormous saving in insurance. I would like to know what that saving was during the war. There are those special freight concessions.

We are not told what they amount to but I suppose the country generally had to pay for those special concessions. There is the problem of exchange. Certainly our exchange difficulties would be much less if we knew exactly when we were going to receive payment from Government. It is very difficult as Mr. Willson said, to get money out of Government and that is why it is impossible very often to get cover from the banks. But that does not deter me in the ordinary course of my business from taking contracts months ahead, even when I do not know when the money will be forthcoming to remit, and I am able to cover that exchange so that I run no risk whatever. If gentlemen want to know how I do it, I will say that they must go into the business for themselves and buy their own experience. Mr. Jinnah in his remarks has admitted that the branch office in London must continue, and that is another reason why I hope he will consent to accept the amendment so that the whole House on this side can be absolutely unanimous on the subject. I think my friend, Mr. Cocke, is wrong when he suggests that manufacturers will not always go to the purchaser. There will be no difficulty about buying Italian aeroplanes or English aeroplanes if the Stores Department here set about it the right way. India is not a small village. It is worth while for manufacturers now to come out here, to have their agents out here, to have their representatives out here, and to keep a watch, a constant watch, on the requirements of India; and I have not the slightest doubt that, if Mr. Chatterjee is given a free hand, he will be able to build the Stores Department up into something which will help both the importer and eventually the Indian manufacturer.

**The Honourable Sir Charles Innes** (Commerce Member): Sir, I had not the slightest intention of speaking on this debate when I came this afternoon, but, Sir, I have been so surprised at the remarks of two of my friends opposite that I feel bound to say just a few words. We know that there is more joy in heaven over one sinner that repenteth than over the 99 already saved. Sir, I congratulate myself to-day on having made two converts, and two of my European friends. I congratulate Sir Campbell Rhodes on being a convert to the Indian Stores Department. Two or three years ago, at a meeting of the Associated Chambers of Commerce in Calcutta, Sir Campbell Rhodes and I had a very fierce discussion about the Indian Stores Department. Sir Campbell Rhodes even then was all in favour of Rupee tenders and buying through the importer. He told me what he has told the House to-day that it is only your English importer that you want and you will get all your manufactures and all your industries in India and nowhere else. I pointed out to him that the whole object and aim of the Indian Stores Department was to encourage manufacture in India. It left Sir Campbell Rhodes entirely cold. But, Sir, wiser counsels have now prevailed, and the House will now see that in Sir Campbell Rhodes we have a convert to our new Department. He accused the Government of India of hectic and break-neck speed in the formation of this Department. I should like to ask whether we had any assistance from Sir Campbell Rhodes in forming that Department. When two years ago we asked for the creation of that Department, it was Sir Campbell Rhodes who was one of our chief opponents; and, Sir, I may say that we got very little encouragement from this House when we put up a demand for grant; in fact it seems to me that this House is apt to look at the questions that come up from different angles of vision according to the particular circumstances of the moment. When they are discussing the Indian Stores Department in the abstract, they are all for it, but when we come to ask for money, they say there is none and

[Sir Charles Innes.]

let us down. I am quite sure that Sir Purshotamdas Thakurdas, if he will have a chance of speaking to-day, will support this Resolution with all his eloquence, but, Sir, another difficulty we have had in dealing with this Department is that we have to get past the hindrances put in the way of this Department in the shape of the recommendations which the Retrenchment Committee thought it necessary to make in regard to the Department in the interests of retrenchment. I have again, Sir, to congratulate Mr. Willson on being a convert in another direction. Mr. Willson, as everybody knows, is the representative in this House of the Associated Chambers of Commerce, and, Sir, we have heard a strong protectionist speech in favour of the Indian Stores Department. He has implored us to buy from manufacturers in India. "It will cost you only a little," he said, and he pointed to the compensating advantage we should get. But, Sir, that is not the line of argument I have been accustomed to hear when I attended the meetings of the Associated Chambers of Commerce. Nor, Sir, is Mr. Willson entirely correct in his facts? He said "it will cost you only a little." Let me give the House one fact:

**Mr. W. S. J. Willson:** May I correct the Honourable Member. I think I said "supposing for the sake of argument."

**The Honourable Sir Charles Innes:** He said, Sir, that it will cost us only a little. I listened to that part of his speech, and it is very familiar. Practically the same arguments were put to me when I had representations from certain manufacturers of certain classes of railway stores. That very case is fresh in my memory. The little that it would have cost the Railway Department was 21 lakhs of rupees. It would have cost us 21 lakhs of rupees if we had placed that order with those manufacturers; and, as I have had occasion to explain, the Government of India in deciding on the action they took were guided by the advice not only of the Standing Finance Committee but also of the Central Advisory Council. Sir, we have been working, in spite of the difficulties placed in our way,—we have been working at this problem. Mr. Chatterjee has told us of the progress we have made, and, Sir, that progress will continue. It will continue, and I am perfectly sure that the time will eventually come when we shall be able to transfer the axis from London to India. But you have got to give us time. I may say we are going to take another step very shortly. I hope before long to be able to introduce to this House a Bill to eliminate the proviso to section 20 of the Sea Customs Act. I hope to introduce a Bill to the House which, if it is accepted by the House, will mean that all Government Departments, when buying their stores in India, will have to pay customs duties upon those stores. That, Sir, shows the spirit in which we are working at this problem. But it is not an easy problem. We are trying something in the direction indicated by the Resolution already in the Railway Department; we do not call for Rupee tenders when we want railway wagons and locomotives; we call for simultaneous tenders; and let me assure Mr. Jinnah, with reference to what he said about the London Stores Department, that he need have no fear about manufacturers in foreign countries not seeing the advertisements published in the technical journals at home for our requirements. Let me remind Mr. Jinnah, if he does not know it already, that last year when we called for tenders for wagons, we had tenders not only from England but from America, from Canada, from Belgium, from France, from Italy, from Germany, and this year we have had tenders also from Czecho-Slovakia and from Austria. That shows he need have no fear

about that. That shows that our tenderers are now widely distributed all the world over, and we are getting replies to those calls from all these countries. But, Sir, when we get these tenders from firms in Czecho-Slovakia, Austria and other places, we know nothing about them, we have no intelligence officer here, and we must have people who know all these firms and who can let us know whether these firms are reliable and whether they can be depended upon to give us the delivery. You have got the London Stores Department, you have got a Department which has been working at this matter, as Mr. Jinnah has said, for 60 years. They have accumulated information on all these matters which, let me assure the House, is most valuable to India. I am as keen as anyone in this House on the extension of purchases in India and on the industrial development of India, but, Sir, we have always got to look to considerations of economy; and our experience in the Railway Department is that in many cases we do secure economy by purchasing through the Director General of Stores. That, Sir, is I think all I need say. I pointed out that at first we have not had very much encouragement from the gentlemen opposite, but in spite of what they said, we have not only carried on but made a very considerable advance; and, Sir, I hope that that advance will go on and be accelerated.

**Sir Purshotamdas Thakurdas:** Sir, I deem it a great pleasure to take this opportunity of supporting the amendment of my Honourable friend Mr. Willson. My pleasure on this occasion is doublefold. The first is that I find that on this particular subject at least we have the support of everybody on this side of the House, whether he be European or Indian. I certainly hope that my friend Mr. Cocke will not mind following the advice of Sir Campbell Rhodes and will withdraw his opposition. But the second reason for my pleasure in supporting the amendment is based on the fact that I am afraid I am attacked here in connection with something I did on the Indian Retrenchment Committee and which certain Honourable Members of this House cannot reconcile with the support that I am giving to this proposition. At a later stage I hope to be able to justify every word of what is said in the Retrenchment Committee's Report and at the same time to prove that I am quite consistent, when I rise to support the Resolution, with all the cordiality with which I do. But before I come to it, I would like to touch upon one or two points raised by my Honourable friend Mr. Chatterjee. He has told us that there is nothing in the rules to prevent Indian manufactures being bought in India. I wish he had given us either in quantities or in values the amounts bought here since those rules were framed and the amounts that were spent outside India, compared to amount before those rules were put in practice.

**The Honourable Mr. A. C. Chatterjee:** I gave certain information in answer to some questions quite recently.

**Sir Purshotamdas Thakurdas:** I expected that answer from my friend. My point is different. The High Commissioner's office buy stores for the whole of India. It does not buy stores only for the Central Government. Do I understand that the answer included figures for the total purchases by the High Commissioner's office in London? He gave figures only about the Central Government. The amendment of my friend Mr. Willson includes all Government purchases in London. The other point that I would like to make before I proceed further is this. What does my Honourable friend expect of a busy officer, in whose control it is to make up his mind as to whether he will import from London or whether he will buy locally, what

[Sir Purshotandas Thakurdas.]

does he expect such a busy officer to do? Generally, he is a very senior officer, a responsible head of a department, and I am quite sure that my Honourable friend opposite will not contend that he has much spare time. He is as a rule busy. Does my Honourable friend expect such a busy officer to wade through all the rules of the Stores Department and to make sure of the various restrictions and exceptions named therein, or would he excuse him, being busy as that officer must be with his own job, if he says "Here I am, let me fire off an indent to London and be done with it. I will not then be called upon to explain at all"? I am sure, Sir, it will not take much stretch of imagination to come to the conclusion that the longer and the more bulky your rules are the more temptation there is to the indenting officer or to the purchasing officer to send an indent to London, in which case nobody calls upon him to explain why he did not buy locally. I was very pleased, Sir, to hear from my Honourable friend Sir Charles Innes that some great handicap in connection with the purchase of stores in India is likely to be removed very shortly and that he proposes to amend the Act, so that all imports of stores will be liable to the usual import duty. In all probability this will mean more or less a sort of book entry for the various departments of Government, but it will ensure fair competition to, firstly, the indigenous industries and, secondly, to the firms which may have imported stocks here on the chance that the Government will require them. I hope that this Bill that my Honourable friend referred to will be brought in at the earliest possible date and that no time will be lost in putting that Bill through this House. I understood my Honourable friend to say that he is now prepared to buy from local branches and agencies from outside and I also understood him to say that they will train Indians in various small factories here. I hope that he has made this a condition of the patronage of his department to local branches and agencies of non-Indian firms and I would like to hear from him that my impression is correct.

He further went on to mention that the Indian Stores Department so far has not had much encouragement either from this House or from the Retrenchment Committee. Now, before I say anything in connection with the attitude of the Retrenchment Committee to the Indian Stores Department, I need hardly mention to this House that the Retrenchment Committee would never have been excused either by this House or by the Executive of the Government of India, least of all by the public, if they had not been as severe as they possibly could have been in curtailing expenditure at a time when the finances of the Government of India were in a most precarious state. But luckily in the case of the Indian Stores Department, I think they were treading on very very sound ground. I will read out, with the permission of the House, a few lines from the one paragraph in which the Retrenchment Committee justified why they thought that a certain reduction should be made. The grant to the Department was Rs. 4 lakhs. The Retrenchment Committee made a saving of Rs. 88,000 in the Rs. 4 lakhs. The information laid before the Retrenchment Committee said:

"That this Department has been recently constituted in order to encourage the development of the industrial resources of India and to effect economies by co-ordinating purchases for the Central, and Provincial Governments, thus eliminating competition between Governments and Departments. At present its activities are confined to the purchase of textiles for the Army Department and to the control of the Metallurgical Inspectorate and of the Superintendent, Local Manufactures, and Government Test House, Alipore."



I may point out to my Honourable friend Sir Charles Innes that even Railways had not then begun to patronise that Department. The Retrenchment Committee said:

"We understand, however, that it is contemplated gradually to extend the organization to enable it to undertake the purchase and inspection of various important classes of stores including cement, oils, paints, chemicals, textiles, leather goods, hardware and engineering and other stores, and estimates have been placed before us for an establishment costing Rs. 24 lakhs annually. It is proposed to cover the cost by a charge of 2 per cent. for purchase and inspection and 1 per cent. for inspection only, it being assumed that the value of the annual purchases by the department will amount to about Rs. 7½ crores and of the goods inspected to about Rs. 15 crores."

This is the point now.

"It is extremely doubtful whether Local Governments will use this organization."

I would like the Honourable Member to say how many Local Governments have begun to use this Department.

**The Honourable Mr. A. C. Chatterjee:** I will.

**Sir Purshotamdas Thakurdas:**

"It is extremely doubtful whether Local Governments will use this organization and the United Provinces have in fact already set up a separate stores department."

I understand that the Government of Bombay are setting up a separate department.

**The Honourable Mr. A. C. Chatterjee:** No.

**Sir Purshotamdas Thakurdas:**

"In view of the large turnover assumed the proposed charges appear to be excessive. A system of central purchase may have theoretical advantages, but we recommend that no provision be made for further expansion of the department until it has been ascertained that the provinces collectively are prepared to utilize it for their transactions and that such expansion will be financially justified."

I still claim to-day that until the Honourable Member opposite can point out that he has got the support of many of the Provincial Governments, on whose patronage of this department an estimate of a turnover of 7½ crores purchases and inspection of goods worth Rs. 15 crores was based, the Retrenchment Committee were fully justified in what they did, and perhaps, I am afraid, the Assembly of that day were also justified in reducing the grant. The main point about this Indian Stores Department is that even the various departments of the Government of India, including the Department of my Honourable friend, Sir Charles Innes, have not yet begun to use that Department. Why did not the Honourable Sir Charles Innes tell us when the Railway Department, which is under him by the way, will begin to use this very Department for the purpose of economy and co-ordination in the purchase of stores? But, Sir, I am not trying to make out by any chance a case for no help or as little help as possible to this Stores Department. I contend that, if this Resolution or this amendment of my Honourable friend is passed by this House and is acted up to by the Government of India, we will indirectly be giving a very great push to the Stores Department in the work for which my Honourable friends, Mr. Chatterjee and Sir Charles Innes, are so justifiably anxious.

Just one word about the advantages that the Honourable Member said would accrue or do accrue by having the purchases concentrated in London. He mentioned the freight charges. Now, I am sure if the

[Sir Purshotamdas Thakurdas.]

Honourable Member expected this House to attach any value to this plea of his, he was bound to put before the House the figures as to the concession or the rebate that the Government of India got for the stores which they imported here in bulk either through the India Office or through the High Commissioner. I am sure I am not asking anything unreasonable from the Honourable Member if I ask him to tell us if the Government of India at all know what the rebates available to them are. Can he tell us what they were in 1913-14 or 1917-18? What they were in those years of the war when freight rates had gone up to an exorbitant height? The general impression is that the Government of India got jolly little.

Now, as to insurance. I am sorry that the Honourable Member thought fit to mention this topic of insurance at all. As my Honourable friend, Sir Campbell Rhodes, said, they must have paid dearly because they took the risk of not insuring. If the Government did lose, will they kindly tell us to how much they lost during the war by not being insured? All that I can say is that they are very lucky if they did not lose more than they saved in previous years by not insuring. I know that Government and big concerns like them do not insure. But when they do not insure they—at least commercial concerns—keep a sinking fund for emergencies. I am sure the Government of India have no such sinking fund.

Now, as to inspection. No one doubts that inspection is always necessary and I did not know before I came in that the Honourable Mr. Jinnah had said that inspection should be avoided. I am sure he could not have said that. (*Mr. M. A. Jinnah*: "I never said that".)

Now, Sir, as regards exchange. I do not wish to go into the subject as to how exchange can be manipulated in a certain situation. But I certainly think that in this case it is a plain, simple proposition. We merchants who handle both exports and imports know how to adjust our exchanges. After all, why should the Government of India take it for granted that it is they alone who are anxious to get what they want? Why should they understand for ever that it is only a buyer who is a needy buyer and that sellers are always indifferent? I am sure in the ordinary course and in normal times a seller is more keen than a buyer. And, if the Government of India lay down a policy and say: We will buy in Rupee tenders and on certain terms, the sellers, whether big or small, in order to get the custom will adapt themselves to the terms which they, the buyers, lay down, taking of course for granted that the terms of the Government of India will be normal, businesslike and sensible. I expected my Honourable friend to say that when you buy in bulk and when you buy direct from the manufacturers you buy cheaper. In case he should advance that argument in his final reply I should like to say that the method suggested does not prevent the Government of India from buying in bulk. (*The Honourable Mr. A. C. Chatterjee*: "I never said that".) You can buy any quantity you like from any manufacturer, nor will it prevent you from buying direct. You can put your order direct with the manufacturers, be they in Germany, Switzerland, Italy or Czecho-Slovakia. So that this method which is suggested by the amendment or by the Resolution does not prevent you from taking full advantage of buying direct from the manufacturer. All that we say is that you must buy in rupee currency and you must call for the tender in India. Delhi should be the place from which the tender should be given out. Delhi should be the place where the tender should be opened.

It has been mentioned by the Honourable Member that the House may rest assured that Sir M. Dalal looks after India's interest thoroughly. I am sure nobody doubts that. But the point is: Is the system a correct one? Can we not improve upon it? I will now conclude, Sir, by pointing out how in my opinion the local Stores Department of the Government of India can be substantially encouraged by the acceptance of this amendment.

**Mr. President:** The Honourable Member has already exceeded his time limit.

**Sir Purshotamdas Thakurdas:** I shall conclude my remarks, Sir, in a minute. At present indents from all over India go to London. If the Government of India accept this amendment they will all have to come to Delhi and in Delhi my Honourable friend, with the assistance of his Stores Department, would be able to say to the indenting officers that this thing need not be imported, and that thing you can buy at such and such a place which you cannot buy in India. Here is more business for your Stores Department. For the rest you call for tenders from branches and agencies of oversea firms and from abroad. I think this is the most natural method of encouraging your Indian Stores Department and I hope that my Honourable friend will be able to accept it. Sir, I also hope that my Honourable friend, Mr. Jinnah, will be able to accept the amendment and that the House will pass it unanimously.

*(Several Honourable Members: "The question be now put.")*

**The Honourable Mr. A. C. Chatterjee:** Sir, I do not wish to detain the House at this late hour. There are only one or two points arising from the speech of my Honourable friend opposite, Sir Purshotamdas Thakurdas, which I should like to touch upon. In defending the Indian Retrenchment Committee,—I yield to none in my admiration for the very splendid work which that Committee did for India and for the Government of India,—my Honourable friend quoted a passage from that Committee's report relating to the Stores Department. I am sorry to say, Sir, that the Retrenchment Committee went entirely astray over the objects and functions of the Indian Stores Department. They laid stress on the co-operation of the provinces. I think my Honourable friend is as well aware as I am that the provinces are of no great importance with regard to their purchases as compared to the Central Government. What does it matter whether the provinces co-operate or not? The purchases of the Central Government are big enough, as the Honourable Member has himself admitted just now, for the maintenance of a department. What was the use of bringing in the provinces? When we gave our estimate regarding the probable purchases we did not think of the provinces. And then he asked me whether the provinces are co-operating. They are. We have got large orders from the Punjab and from his own province. *(Sir Purshotamdas Thakurdas: "Amounts please.")* I could not give you the amounts offhand. They extend to several lakhs. I do not carry all my statistics in my pocket, as evidently my friend does. *(Laughter.)* Similarly he asked me what was the amount we paid for freight. I could not give him the statistics. I did promise him during my own speech that I would give him the statistics to-morrow and he twitted me again over the fact that I did not bring those statistics with me. The fact is mentioned in the Stores Purchase Committee Report, if the Honourable Member has ever cared to peruse it. Then he suggested that we should utilise the Stores

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Department in order to scrutinise indents and to stop indents from going to England. I can assure my Honourable friend that is already being done. Sir, I have nothing more to add.

**Sir Purnhotamdas Thakurdas:** Sir, I want to say one word of personal explanation. All that I said is that whatever is said in the report is based on the evidence given before the Inchcape Committee. If the Government of India had left the papers with me I would have been able to prove to the Honourable Member the justification of what I said. The papers were taken away from members of the Inchcape Committee.

**Mr. President:** The original question was :

“ This Assembly recommends to the Governor General in Council that in future tenders for any article required for any department of the Central Government should be called for in India and in rupees and that the Stores Department at the India Office only should be maintained in such strength as would enable old contracts to be worked out.”

Since which an amendment has been moved :

“ That for all the words after the words ‘ Governor General in Council ’ the following be substituted :

‘ That the present system of stores purchase for Government requirements is not in the best interests of India and should be done away with at the earliest possible moment.

That in its place should be instituted a system of Rupee tender for delivery in India with publication of results in every case.

That this new system should be administered under the supervision of the Government of India by a cadre of qualified officers and that arrangements should be made in India for the requisite test and inspection of the goods purchased.’ ”

The question that I have to put is that that amendment be adopted.

**Mr. M. A. Jinnah:** Sir, I have objection really to the amendment, if the House desires it.

**Mr. President:** The question that I have to put is that that amendment be adopted.

The motion was adopted.

**Mr. President:** The question is that the Resolution, as amended, be adopted.

The motion was adopted.

#### RESOLUTION *RE* GREETINGS OF THE ASSEMBLY TO THE LABOUR PARTY.

**Maulvi Muhammad Yakub** (Rohilkhand and Kumaon Divisions: Muhammadan Rural): Sir, I rise to move the following Resolution :

“ That this Assembly recommends to the Governor General in Council to convey the greetings of this House to the Right Honourable Ramsay MacDonald, and other Members of the new Cabinet on their advent into power.”

Sir, unique as the occasion undoubtedly is, it does not, for obvious reasons, call for a long speech. For the first time in the constitutional history of England the Labour Party takes up the reins of an Empire built on essentially conservative traditions. For the first time in the history of modern Europe the bulwark of an uncompromising Capitalism and class

domination in England has been shaken. To the Indian subjects of His Majesty the King-Emperor, the historic event is full of possibilities. The so called "Dependency" has suffered, generation after generation, under the yoke of a bureaucracy which holds a monopoly of prestige and political power. The great war in Europe brought to the forefront the labouring classes in various stages of revolution and evolution. But it looked as if the privileged classes in England would still resist successfully the advancing Labour forces. Yet circumstances have combined to make the long expected and much desired event an actuality, in spite of all the powers of English Conservatism and Liberalism. So far as India is concerned, the changes of Governments and parties have never meant much to us, as was observed by His Excellency the Viceroy in this very House the other day. Out of our long experience of political shuffling to which we have been invariably subjected, comes the feeling that the parties may go and the parties may come but the bureaucracy goes on for ever. To this feeling of hopelessness and helplessness is due the present political situation in India.

Lest I may be misunderstood, I hasten to submit that I do not expect miracles from the new Government, neither do I believe that a Labour Government would solve the present complications of the Indian problem, so to say, with a touch of the magician's wand. I know, as probably most of us in this House do, the limitations of a Government which depends for its very existence on the support of the Liberal party. But we know that during the last few years of an acute political unrest in our country, Labour was the only party in England which had the courage and honesty to extend to a suffering people their sympathies. Not that we underrate the friendship of other public men in England who have been working for us, but it is a fact that had it not been for the Labourites, the British nation would have known little or nothing of what India suffered. It was Labour Conference at which India's claim to the right of self-determination was first supported in no uncertain terms. In a Resolution moved by Mr. Ben Spoor at the 1920 Sessions of the Labour Conference at Scarborough the party demanded "the full and frank application of this principle in the re-organisation of the Government of India". It emphatically protested "against the militant and repressive methods adopted by the present British Government" and expressed "its sympathy with the people now held in subjugation". It condemned in the strongest possible terms "the cruel and barbarous action of the British officers in the Punjab", extended its "sympathy to sufferers of these unpardonable atrocities" and urged "that all officials concerned should be formally brought to trial". No wonder then, Sir, that our hearts go out to the Labour Party in the great responsibility they have accepted. As an Indian journalist of the Liberal school of thought remarked in well chosen words,

"the Labour party is itself an organised protest against privilege and prescription, it is an embodied rebellion against vested interests and class privileges and must instinctively feel a natural sympathy for the weaker of the two parties anywhere in the world."

Therein lies our hope. We may not expect much from a Labour Government in England, but are we not justified in looking forward to a better result than we ever had from other parties? They may not bring us our heart's desire all at once but they are, with the breadth of their vision and their recognition of the rights of subject peoples, likely to understand and appreciate the intense craving of the Indian people, after more

[Maulvi Muhammad Yakub.]

than 150 years of abject subjugation, to rise to the higher and more respectable and honourable level of a self-governing member of the British Commonwealth and thus to save themselves from the insults and indignities offered to them by other British Colonies and by a British oligarchy in their own land. The best we expect is a change in the angle of vision and in the spirit in which India has been hitherto administered from behind the closed doors of 10, Downing Street and White Hall. By their encouragement and sympathy the Labourites would give the breeze the power of a gale to wash away the old and obstinate rock of class and colour prejudice which has hindered progress.

At the Scarborough Labour Conference, Mr. Ben Spoor, M.P., one of the leading men of the Labour Party who is now also a leading member of the Labour Party, remarked, with reference to the Reforms Act, that "they felt that no real measure of justice has been done to India" and that they felt "that the Indian people at a very early date must secure a larger measure of self-control than they had offered to them in the Government of India Act". Only recently Mr. George Lansbury, while speaking at Wakefield, declared:

"I believe in my heart that it is a God-given opportunity that the Labour movement of this country has to-day to stave off the upheaval in India. I believe that the people, if they get the opportunity, can do such things as will make Indians believe that we mean what we say when we tell them that we want India to be the brightest jewel in the great British federation of free peoples."

Mr. Ramsay MacDonald's speech at the Queen Hall's meeting in June last, Colonel Wedgewood's speech in the House of Commons and the Party's manifesto issued just before the last General Election, which appealed to all citizens to take a generous and courageous stand for Right and Justice and to hold out their hands of friendship and good-will to the struggling people everywhere who want freedom, security and a happier life, are but a few indications of the fundamental principles which are to guide the Labour Government's policy. We hope, therefore, that they will steer clear of the antiquated shibboleths of the "white man's civilising mission", "the prestige of the ruling class", and "the Divine right to govern the black and brown". Although the determined onslaughts of the British Die-hard may hamper the noble work of the Labour party, we trust that it will return to power again and again with a clear and stronger majority and that ultimately it would be in its power to accord us the right to call ourselves a nation, to live our own life, to develop our own civilisation on national lines and to be able to look other peoples in the face. Secure in our indomitable faith in the righteousness of our cause, we welcome the dawn of a new hope.

With these few words, Sir, I submit my proposition for the favourable consideration of this House.

**Pandit Motilal Nehru** (Cities of the United Provinces: Non-Muhamadan Urban): Sir, after a long and bravely sustained struggle, the Labour Party has come into power for the first time in the Parliamentary history of England. It has lived through good and evil report, always standing for greater freedom, greater justice to humanity at large and perfect equality between man and man. The success of the Labour Party in England is the success of these noble principles and carries with it hope and encouragement to all who love their own freedom and are striving to attain it at any cost. The members of the Swaraj Party are therefore

glad to join the Honourable Mover of this Resolution in his desire to convey the greetings of the House to the Labour Party on its advent to power.

There can be little in common between a party of free Englishmen and the Swaraj Party formed by a people held in subjection by free England. The former started under a constitution which has made it possible for an engine cleaner to be a Minister of the Crown and a cabin boy to rise to the exalted position of the Viceroy of India. The latter has yet to secure for the people of India the most elementary rights of citizenship. But the Labour Party and specially some of the "wild men" in it have in the past stood forth as staunch friends of India, and India, ever ready to grasp the hand of fellowship extended to it, has loved and honoured them in return. Many of us in this House enjoy the personal friendship of some of the wild as well as the sober men of the Party, and it is but natural for us to offer them our sincere congratulations on their success. We note with regret that the leader of this great Party which is committed to the principle of the right of self-determination for all nations, great and small, should immediately before taking charge of his high office have thought it necessary to sound a note of warning to us for claiming that very right. But we have not forgotten what he said in April 1918. In a private letter intended for publication and recently published in the press he said:

"In my opinion Home Rule for India has now become inevitable. The British administration of your country has its logical and necessary outcome in your own self-government. In ordinary times that would have been long postponed, but the circumstances of your country have so changed as to make it wise and politic. The War has hastened this evolution and has suddenly brought the country face to face with its ultimate duties. We must trust India just as we must trust Ireland. We must allow India to develop a culture of its own. We must lay on the Indian people both the burdens and responsibilities and make them the custodians of their own welfare. I would therefore give them not merely a minimum measure but a generous one. Whatever form the governing machinery may take, two things must be granted. In the first place, the Viceroy's Council must be of the nature of a Cabinet and must be responsible to the representative authorities. In the second place, India must have control of her own finances. I hope that broad-minded wisdom is to assist both of us to arrive at a happy conclusion."

We can only hope that this broadminded wisdom will be brought to bear upon the demand that we have put forward. Meanwhile, Sir, in the words of Abraham Lincoln:

"with malice towards none, with charity for all, with firmness in the right as God gives us to see the right, we strive on to finish the work we are in."

Sir, I beg to support the motion on behalf of the Swaraj Party.

**Maulvi Abul Kasem** (Bengal: Nominated Non-Official): Sir, I beg to associate myself with the Resolution as it stands. We offer our congratulations to the Right Honourable Ramsay MacDonald on his accession to office and to his colleagues; but I do it, Sir, from no selfish motive. I am not a believer in the fact that self-government can be obtained for this country as the gift of one party or the other in England. I for one, Sir, will not allow India to be made a football to be kicked about by one party or the other. But, Sir, I hope and trust that when this Resolution is communicated to the Head of the British Government and the Head of the British Empire, he will remember what he said some years ago when he was not in office. Sir, it has been my experience and I believe it has been the experience of Pandit Motilal Nehru and others, that

[Maulvi Abul Kasem.]

Britishers or Indians hold one opinion when they are out of office and another when they are filling responsible positions; and we in this House, whether in this Session or the previous one, have seen Honourable Members on the other side—I mean my countrymen like Sir Tej Bahadur Sapru, Sir Muhammad Shafi and Sir Narasimha Sarma—confronted with reports of speeches they had made previous to their accepting office in the Government of India. I hope and trust, Sir, that the Right Honourable Ramsay MacDonald and some of his colleagues will stick to the opinion which they expressed and clearly expressed years back when they had neither charge of office nor any expectation of getting into it at an early date.

**Sir Gordon Fraser** (Madras: European): Sir, I heartily support the Resolution before the Council and I am sure I am speaking on behalf of all my European fellow members when I say that we congratulate Mr. Ramsay MacDonald and his Cabinet on their advent to power.

**The Honourable Sir Malcolm Hailey** (Home Member): I do not think it is fitting that the Government Benches should be silent on this occasion. It is not because we desire to express or indeed are entitled to express any opinion as to the influence which the advent of a Labour Government may have on the course of politics either in England or in India; nor because we desire to express either pleasure or regret at the departure of one Government and the advent of another, or have any feelings as to the extent to which one Government rather than another is likely to agree with the views which we ourselves hold as to the manner in which the administration of

5 P.M. India should be carried on. We regard the Cabinet simply as the executive of His Majesty's Government; that is the view which we are bound to take as servants of the Crown. Nevertheless, Sir, we also are members of this House, and there is certainly one aspect of the good wishes which this House desires to send to the Cabinet with which we desire to associate ourselves. They are faced with great difficulties, difficulties which are not confined to the United Kingdom only, but of world-wide origin and extent; there must be no one here who does not wish them success in finding a solution of the problems which lie before them, problems which demand the highest statesmanship and the greatest qualities both of mind and heart. We, no less than the House, wish them Godspeed in the difficult journey which lies before them. Let me add, Sir,—though it is unnecessary, yet it is not impertinent for me to do so—that whatever instructions His Majesty's Government may give us and whatever action they may desire to take in regard to India, they are entitled to claim and they will assuredly receive from us that loyalty which we always have rendered and always shall render to the Government of His Majesty the King-Emperor.

**Diwan Bahadur T. Rangachariar** (Madras City: Non-Muhammadan Urban): Sir, as my Honourable friend, Pandit Motilal Nehru, confined his remarks to what he calls the Swarajist party, I am tempted to make a few remarks on behalf of the Independents here. He might have whole-heartedly associated us also in the hearty welcome he extended to the Labour Party on its coming into power now. I wish to associate myself, I wish to associate the whole of the Indian element in this Assembly, in the welcome which has been extended to the Labour Party. Sir, I was reading only this morning one of Mr. Ramsay MacDonald's books—I have got four of them now and I am slowly reading them one by one. He wrote a book in 1920 called "A Policy for the Labour Party"; and, Sir, he has



given a very soft corner to India in one of the paragraphs in that book. I hope he will remember that as the head of the new Government and will give effect to all that he has said. That is the prayer, Sir, of the nation and I hope that prayer will not go in vain. May this Government live long, so that India and England may continue to do common work not only for the good of India but for the good of the Empire.

**Mr. N. M. Dumasia** (Bombay City: Non-Muhammadan Urban): Mr. President, as a member of the community which has in the past returned no less than three members to the House of Commons,—two of whom had more or less identified themselves with the Labour Party—I beg to extend my cordial greetings to the Premier and his Cabinet. We hope that the advent of the Labour Party to office will usher in a new era of happiness and contentment in India and that it will be marked by the blessings of peace and prosperity throughout the British Empire and particularly in India. Sir, the Labour Party's advent to power shows what industry, assiduity and perseverance and fidelity to their cause can achieve. The Members of the Labour Government were not impatient idealists but practical men of business. They worked for one end. They showed that they deserved to come into power and they have come into power by sheer merit. Indian politicians may take a leaf out of the book which has been so splendidly written by the Premier, the Right Honourable Ramsay MacDonald, the most cultured man of his party. It is the duty of India now not to do anything to embarrass or to drive out the Labour Government from office. They are in office but not power inasmuch as they are depending upon the indulgence of either the Conservatives or the Liberals for their continuance in office and it is our duty to strengthen their hands and, if India works on the same line as the Labourites have worked, there is no doubt that we will come into our own and that in the fulness of time we shall attain Swaraj. But the road is long and tortuous and we must work patiently and hard for many a long year before we can attain our end. But if we become impatient idealists, if we do anything wrong, perhaps we may come to grief. I hope we will take a lesson from the Labour Government and persist in our just and rightful course.

**Mr. N. M. Joshi** (Nominated: Labour Interests): Sir, as one who sympathises with the aspirations of labour not only in this country but all over the world, you will allow me to add one word of congratulations and greetings to the Labour Party in England which has come into office very recently. Sir, these greetings that we are sending to-day are more than formal. The event is significant in several ways. In the first place, Sir, I think that by the coming into office of the Labour Party England herself has got her real self-government. England was ruled all along by classes who were not representatives of her masses. Either by the manipulation of constituencies or by the power of wealth, the real representatives of the masses of England were kept out of power. Therefore, Sir, we must congratulate England herself to-day that she has got a Government which is really representative of the masses of the country. From the view of our own country there is also a great significance in the coming into power of the Labour Party. The Members of the Labour Party were the only people who used to sympathise with our political aspirations for a very long time. Even our veteran leader and statesman, Dadabhoi Naoroji, got unstinted sympathy only from the Labour Party. Sir, it is quite natural that the members of the Labour Party should have sympathised with our political aspirations. The labouring classes in England were themselves denied freedom for a very long time. They had undergone in

[Mr. N. M. Joshi.]

their battle for freedom the same difficulties which this country is undergoing. They were not given the franchise for a long time as we had none. Not only that; but their path towards progress was as difficult as ours is. Those of us, Sir, who have undergone the hardships of repressive laws will also find that similar repressive laws, perhaps more repressive laws, were imposed upon the working classes of England. Not only that, but there are many here who have undergone the severities of jail life in the battle for freedom, and I can assure Members of this Assembly that there may be at least some in the present Cabinet who have also undergone the same hardships of jail life. It is but natural, therefore, that the members of the Labour Party should sympathise with our aspirations towards our progress for freedom. Moreover, it is but natural that we should look to the Labour Party for help in our social and political progress. The Labour Party has very little vested interests in India. Most of our services, who generally stand in the way of our political progress, do not belong to the working classes. So their enthusiasm is not damped by the considerations of self-interest. I therefore feel, Sir, that there is great hope for our political progress as long as the Labour Party is in office. Sir, there was some complaint made about the statement of the Prime Minister. Sir, I know that the Labour Party in England consists of practical people. They are idealists, but they are idealists who have put their ideals into practice, and therefore they are naturally practical. They have reached their goal step by step and they may expect us to do the same. Moreover, the Labour Party in England also believes in constitutional agitation. They have reached their goal by Parliamentary agitation, and they expect others also to reach their goal by that agitation. They believe that, as they have reached their goal by Parliamentary agitation, it is quite possible for others also to reach their goal by similar methods.

From the point of view of Indian labour, there is still, Sir, greater reason for congratulation. If there is any one class in any society which is more international in its sympathies, it is the labouring class. They believe in the brotherhood of man, and as such the Labour Party in England will naturally sympathise with the Labour Party in India. They will show greater enthusiasm for bettering the conditions of the working classes in this country than any other party would have done. Naturally those who are interested in the uplift of the working classes in this country will take great delight in the accession to power of the Labour Party. More than that, the Labour Party will do good by way of legislation for the labouring classes in this country; their very accession to power is a message of hope to the working classes in this country. Sir, those of us who have been working inside this House and outside it for the uplift of labour many times feel tempted to give way to despair. The work before us is so difficult. I have myself seen in this House during the last three years how difficult that work is. Problems which seemed so easy to me, demands which seemed so reasonable to me, were not accepted even by a small fraction of the House and on these occasions I had sometimes felt somewhat despondent. But, Sir, if we study the history of the rise of the Labour Party in England, it gives us a ray of hope. I remember the days when there used to be only a few members in the House of Commons who represented labour in England, and even then they were not the real representatives of the labouring classes in England. They were elected as members of the Liberal Party or sometimes of the

Conservative Party. Sir, then came a time, and that time came very soon, when the working classes in England thought it necessary to have their own political party. That party was established by Mr. Keir Hardie in 1892, and within such a short time that party had gradually risen to a position of strength that to-day they are in office and in power. Sir, this message of hope is of greater importance to the working classes in India than any other thing. With these few words, Sir, I associate myself with the greetings which have been proposed by the Honourable Mover of this Resolution.

**Mr. A. Rangaswami Iyengar** (Tanjore *cum* Trichinopoly: Non-Muhamadan Rural): I move, Sir, that the question be put.

**Mr. President:** The question is:

“That this Assembly recommends to the Governor General in Council to convey the greetings of this House to the Right Honourable Ramsay MacDonald, and other Members of the new Cabinet on their advent into power.”

The motion was adopted.

**Mr. President:** As Honourable Members are aware, Resolutions are merely recommendations to the Governor General in Council; but I imagine that in this case, whatever may happen to other Resolutions, the Governor General in Council will act upon it! At all events it will be recorded that this Resolution was passed with cordiality and acclamation, and in that cordiality I, as President, very willingly join. (Applause.)

The Assembly then adjourned till Eleven of the Clock on Monday, the 18th February, 1924.

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