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# LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

VOLUME VIII

*(17th August to 2nd September 1926)*

FIFTH SESSION

OF THE

SECOND LEGISLATIVE ASSEMBLY,  
1926



# Legislative Assembly.

## *The President :*

THE HONOURABLE MR. V. J. PATEL.

## *Deputy President :*

DIWAN BAHADUR T. RANGACHARIAR, M.L.A.

## *Panel of Chairmen :*

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

SIR DARCY LINDSAY, M.L.A.

LALA LAJPAT RAI, M.L.A., AND

MR. ABDUL HAYE, M.L.A.

## *Secretary :*

MR. L. GRAHAM, C.I.E., M.L.A.

## *Assistants of the Secretary :*

MR. W. T. M. WRIGHT, C.I.E., I.C.S.

MR. S. C. GUPTA, BAR-AT-LAW.

MR. K. G. HARPER, I.C.S.

## *Marshal :*

CAPTAIN SURAJ SINGH, BAHADUR, I.O.M.

## *Committee on Public Petitions :*

DIWAN BAHADUR T. RANGACHARIAR, M.L.A., *Chairman.*

DIWAN BAHADUR M. RAMACHANDRA RAO, M.L.A.

COLONEL J. D. CRAWFORD, M.L.A.

MR. JAMNADAS M. MEHTA, M.L.A.

MR. ABDUL HAYE, M.L.A.

# CONTENTS.

VOLUME VIII.—17th August to 2nd September, 1926.

PAGES.

## TUESDAY, 17TH AUGUST, 1926—

Inauguration of the Second Session of the Second Council of State and the Fifth Session of the Second Legislative Assembly.	1—8
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## WEDNESDAY, 18TH AUGUST, 1926—

Members Sworn .. .. .	9
Questions and Answers .. .. .	9—45
Unstarred Questions and Answers	46—58
Motions for Adjournment ..	59—60
Assent of the Governor General to Bills .. .. .	60—61
The Indian Bar Council's Bill—Presentation of the Report of the Select Committee.	61
Statements laid on the Table .. .. .	61—65
The Currency Bill—Introduced .. .. .	65—66
The Workmen's Compensation (Amendment) Bill—Introduced ..	66
The Usurious Loans (Amendment) Bill—Introduced ..	66
The Code of Civil Procedure (Second Appeals) Bill—Introduced	67
The Indian Factories (Amendment) Bill—Introduced ..	68
The Negotiable Instruments (Interest) Bill—Introduced ..	68
The Provincial Insolvency (Amendment) Bill—Introduced ..	68—69
The Indian Succession (Amendment) Bill—Introduced ..	69—70
Election of a Member to represent the Legislative Assembly on the Council of the Indian Institute of Science, Bangalore.	70—
Resolution <i>re</i> Appointment of Standing Committees to deal with Bills relating to Hindu and Muhammadan Law—Discussion adjourned.	72—74

## THURSDAY, 19TH AUGUST, 1926—

Member Sworn ..	75
Questions and Answers ... .. .	75—120
Statement of Business .. .. .	120—122
Resolution <i>re</i> Report of the Taxation Enquiry Committee—Consideration adjourned <i>sine die</i> .	122—149

**FRIDAY, 20TH AUGUST, 1926—**

Questions and Answers .. .. .	151—169
Unstarred Questions and Answers .. .. .	169—172
The Code of Criminal Procedure (Third Amendment) Bill— Introduced.	172—174

**MONDAY, 23RD AUGUST, 1926—**

Member Sworn .. .. .	175
Questions and Answers .. .. .	175—185
Unstarred Questions and Answers .. .. .	185—204
Statement laid on the Table .. .. .	204—205
Election of Sir Sivaswamy Aiyer to represent the Legislative Assembly on the Council of the Indian Institute of Science, Bangalore.	205
The Currency Bill—Motion to circulate adopted .. .. .	205—224
The Indian Factories (Amendment) Bill—Motion to circulate adopted.	224—225
The Usurious Loans (Amendment) Bill—Passed .. .. .	226
The Workmen's Compensation (Amendment) Bill—Passed .. .. .	226—227
The Negotiable Instruments (Interest) Bill—Passed .. .. .	227—228

**TUESDAY, 24TH AUGUST, 1926—**

Questions and Answers .. .. .	229—232
Resolution <i>re</i> Retention in its present site of Rameswaram Station on the South Indian Railway—Negatived.	232—246
Resolution <i>re</i> Abandonment of the Andamans as a Penal Settle- ment—Negatived.	246—279
Resolution <i>re</i> Regulation of the performance of Religious Festi- vals, etc.—Debate adjourned.	279—286

**WEDNESDAY, 25TH AUGUST, 1926—**

Bills passed by the Council of State laid on the Table .. .. .	287
The Code of Civil Procedure (Second Appeals) Bill—Motion to circulate adopted.	287—294
The Provincial Insolvency (Amendment) Bill—Passed .. .. .	294—296
The Indian Succession (Amendment) Bill—Passed .. .. .	296—304
The Code of Criminal Procedure (Third Amendment) Bill— Motion to consider adopted.	304—352

**THURSDAY, 26TH AUGUST, 1926—**

Statement of Business .. .. .	353
The Code of Criminal Procedure (Third Amendment) Bill— Passed.	353—372
The Indian Bar Councils Bill—Debate on the motion to pass adjourned.	372—417

## FRIDAY, 27TH AUGUST, 1926—

Questions and Answers .. .. .	419—429
The Indian Bar Councils Bill—Passed .. .. .	429—444
The Indian Succession (Amendment) Bill—Passed .. .. .	444—447

## TUESDAY, 31ST AUGUST, 1926—

Questions and Answers .. .. .	449—477
Unstarred Questions and Answers .. .. .	477—501
Message from the Council of State .. .. .	501
Death of Mr. A. V. V. Aiyar .. .. .	502—503
Statements laid on the Table .. .. .	504—540
The Indian Limitation (Amendment) Bill—Motion to consider the Bill as passed by the Council of State withdrawn.	540—544
The Indian Evidence (Amendment) Bill—Passed .. .. .	544—545
The Administrator General's (Amendment) Bill—Passed .. .. .	545—546
The Sind Courts (Supplementary) Bill—Passed .. .. .	546
The Indian Companies (Amendment) Bill—Passed .. .. .	546—547
The Cantonments (Amendment) Bill—Passed .. .. .	547
Demands for Supplementary Grants .. .. .	547—561

## WEDNESDAY, 1ST SEPTEMBER, 1926—

Questions and Answers .. .. .	563—572
Unstarred Questions and Answers .. .. .	572—583
Messages from the Council of State .. .. .	584
Resolution <i>re</i> Regulation of the performance of Religious Festivals, etc.—Withdrawn.	584—632
Resolution <i>re</i> Election of Women to the Legislative Assembly—Adopted.	632—644

## THURSDAY, 2ND SEPTEMBER, 1926—

Private notice Question and Answer .. .. .	645
The Indian Bar Councils Bill—Amendment made by the Council of State agreed to.	645—650
Valedictory Speeches to Mr. President .. .. .	650—658

# LEGISLATIVE ASSEMBLY.

*Monday, 23rd August, 1926.*

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

## MEMBER SWORN.

Maulvi Mohammad Shafee (Tirhut Division : Muhammadan).

## QUESTIONS AND ANSWERS.

### TOTAL LOSS SUSTAINED BY THE ARMY CANTEN BOARD (INDIA) SINCE ITS ESTABLISHMENT.

178. **\*Raja Ghasanfar Ali Khan :** (a) Will the Government be pleased to state what is the total loss sustained by the Army Canteen Board (India) since it was first established, and from what fund this loss is going to be met ?

(b) If the loss incurred by the Army Canteen Board (India) has to be paid out of the tax-payers' money, why was this House not consulted before the introduction of this system ?

(c) Are the Government prepared to give an undertaking that before they inaugurate any new scheme about the canteen system they will lay their proposals before this House for opinion ?

(d) Do the Government undertake not to introduce any canteen scheme in this country in future, unless it is desired and approved by the persons directly concerned with it ?

**Mr. E. Burdon :** (a) The most recent information in regard to this will be found in the report of the committee of inquiry which was appointed by the Government of India to investigate the affairs of the Army Canteen Board. This report was published on the 8th May 1926, and no later figures are available which are fully authenticated. Any loss sustained by the Army Canteen Board will, as has been stated before, fall upon public funds.

(b) All the preliminary work connected with the establishment of the Board had been finished and the scheme had been approved in principle before the Legislative Assembly came into existence. In the circumstances it was not considered necessary to defer action.

(c) No, Sir. If the Honourable Member desires that the matter should be discussed, the procedure of the House is open to him ; and I may observe that notice of Resolutions on the subject have already been received from three Honourable Members.

(d) Government are not prepared to give an undertaking of the character asked for in this question : they must reserve a certain discretion to themselves.

**PURCHASE OF THE STOCKS OF THE ARMY CANTEN BOARD (INDIA) BY THE NAVY, ARMY AND AIR FORCE INSTITUTE.**

179. **\*Raja Ghazanfar Ali Khan :** (a) Will the Government be pleased to state whether the Navy, Army and Air Force Institute has offered to take over the Army Canteen Board (India) stocks, and if so, whether at cost price, or at a reduction, or at present market rates ? If at a reduced rate, on what percentage is this reduction based ?

(b) Will the Government be pleased to state if the Army Headquarters has invited the opinions of Commanding Officers of British units serving in India as to which system they consider more advantageous and beneficial to the troops, and if so will they please lay on the table their replies ?

**Mr. E. Burdon :** (a) Government are not prepared to give any information on this subject. There are other competitors in the field, and it would not be justifiable for Government to do anything which might hamper the Army Canteen Board in disposing of their assets to the best advantage.

(b) Commanding Officers of British units have been consulted. Their replies contain matter of a confidential nature, and apart from this, Government do not consider the subject to be one of sufficient general interest or public importance to warrant the papers being laid upon the table. For the information of the Honourable Member, however, I may say that, while a considerable number of Commanding Officers favour the introduction of the Navy, Army and Air Force Institute, the majority express a preference for the tenant system. The continuance of the Army Canteen Board, India, is not recommended. Nearly all Commanding Officers express their readiness to support the Navy, Army and Air Force Institute should that organisation undertake the canteen service in India.

**CATERING FOR BRITISH TROOPS BY THE NAVY, ARMY AND AIR FORCE INSTITUTE.**

180. **\*Raja Ghazanfar Ali Khan :** Is it a fact that the Government intend handing over the Institutes of British troops to the Navy, Army and Air Force Institute throughout India ?

**Mr. E. Burdon :** No decision has so far been reached in the matter.

**RUNNING OF A CANTEN SERVICE FOR BRITISH TROOPS BY INDIAN CONTRACTORS.**

181. **\*Raja Ghazanfar Ali Khan :** (a) Is it a fact that the Indian contractors have represented to the military authorities that for war emergency they are prepared to enter into any agreement, which the Government may desire, which would compel them to accompany the battalion they serve into a war zone ?

(b) Is it a fact that the Army contractors have informed the military authorities that they are prepared if necessary to organize themselves into a registered body with sufficient capital, and that they are further prepared to abide by any rules framed by the military authorities for the efficient running of a canteen service for British troops in India, and if so, what objection do the Government find in giving a fair trial to this enterprise ?

**Mr. E. Burdon :** (a) and (b). The deputation of the All-India Army Contractors Association, which waited on His Excellency the Commander-in-Chief on the 12th August, put forward proposals of the nature mentioned. With regard to the concluding portion of (b), I assure the Honourable Member that no decision will be arrived at on the subject of canteen organisation in India without the views and the proposals of the contractors being fully considered.

**TOTAL LOSS SUSTAINED BY REGIMENTAL FUNDS THROUGH SHORTAGE IN REBATE PAID BY THE ARMY CANTEN BOARD (INDIA).**

182. **\*Raja Ghazanfar Ali Khan :** Will the Government be pleased to state what is the total amount of loss sustained by Regimental Funds, through the shortage in rebate paid by the Army Canteen Board (India) to all the units served by them, since the time of its introduction, when compared with the rebate paid by Army contractors ?

**Mr. E. Burdon :** No precise statement on the subject can be made. In certain units the rebate paid by the Army Canteen Board has been less than that which the unit would have received from a tenant contractor, while in other units the contrary is the case. Moreover, owing to the wide variation in the rates of rebate paid and in the conditions of the contracts made under the tenancy system, and also owing to the great differences which have been found to obtain in the prices charged for goods under this system even in the case of canteens under different contractors in the same station, no reliable or useful conclusions could be drawn from a comparison of figures such as is suggested by the Honourable Member.

**REPORT OF THE CURRIE COMMITTEE ON THE WORKING OF THE ARMY CANTEN BOARD (INDIA).**

183. **\*Raja Ghazanfar Ali Khan :** Will the Government be pleased to lay on the table the Report of the Currie Committee, with regard to the working of the Army Canteen Board, and state what procedure it is intended to adopt with regard to the recommendations contained in this Report ?

**Mr. E. Burdon :** The Report has been published, and a copy has been furnished personally to the Honourable Member. A final decision has not yet been arrived at in regard to the Committee's recommendations.

**INTRODUCTION OF THE NAVY, ARMY AND AIR FORCE INSTITUTE INTO INDIA.**

184. **\*Raja Ghazanfar Ali Khan :** What are the reasons which have led the Government to propose the bringing in of the Navy, Army and Air Force Institute in this country ?

**Mr. E. Burdon :** The reasons have been fully stated in the press communiqué which was issued simultaneously with the report of the committee of inquiry. I will give the Honourable Member a copy of this communiqué if he has not already seen it.



INCLUSION OF THE VALUE OF SURPLUS LOCOMOTIVES ON THE NORTH  
WESTERN RAILWAY IN THE STORES BALANCES.

185. **\*Dr. K. G. Lohokare :** With reference to the reply given on 1st February 1926 to my starred question No. 494, is it a fact that the value of locomotives found surplus on the North-Western Railway is not included in the stores balances ; and if not why not ?

**The Honourable Sir Charles Innes :** The locomotives in question are in use and their value cannot therefore be included in the stores balance. The statement that there were surplus locomotives on the North-Western Railway was intended to convey the idea that by improved methods of working the traffic offering or anticipated on that Railway could be worked with a smaller number of locomotives, and consequently, where possible, locomotives have been and will be transferred from the North-Western Railway to other Railways which were or may be found to be understocked. The surplus is further being reduced by not replacing engines as they become obsolete and are withdrawn from service.

**Dr. K. G. Lohokare :** Was that surplus included in the Stores account ?

**The Honourable Sir Charles Innes :** No, Sir.

REDUCTION OF THE RATES FOR RAILWAY COAL.

186. **\*Dr. K. G. Lohokare :** (a) Is it a fact that the rates for public coal have now been brought down to the scale in force for railway coal ?

(b) If so, do Government propose to reduce the scale for railway coal in order to give effect to the view of the Government of India that "in the circumstances of India it is unnecessary to allow the same margin of profit in transactions between Railways as in the case of public traffic", and if not why not ?

**Mr. A. A. L. Parsons :** (a) The rates for public coal were brought down to the level of the rates for railway coal for distances over 400 miles. As regards distances under 400 miles the rates for railway coal were raised to the rates for public coal. This was done in order to distribute more evenly the effect of the reduction on public coal which would otherwise have weighed unduly on the Railways on which coal traffic originates.

(b) In these circumstances it is not at present proposed to lower the rates for locomotive coal.

DEBITING OF THE COST OF RAISING FUNDS FOR RAILWAY CAPITAL EXPENDITURE TO THE RAILWAY DEPARTMENT.

187. **\*Dr. K. G. Lohokare :** Is the cost of raising funds required for railway capital expenditure debited to the Railway Department ; and if not why not ?

**Mr. A. A. L. Parsons :** The answer is in the affirmative.

DEBITING OF THE RAILWAY FREIGHT CHARGES ON COAL TO REVENUE.

188. **\*Dr. K. G. Lohokare :** Is it a fact that the cost of carriage of railway coal for stock purposes is charged finally to the revenue account instead of to the stock account in the first instance ?

**Mr. A. A. L. Parsons :** For simplicity of accounting, railway freight charges on coal are initially charged to Revenue which consumes over 90 per cent. of the total coal purchased. When coal is issued to capital works, a percentage to cover freight charges is added to its value.

**REVISION OF THE ORIGINAL DISTRIBUTION ORDERS FOR COAL FOR RAILWAYS.**

189. **\*Dr. K. G. Lohokare :** (a) Is it a fact that in 1925-26 a large quantity of coal was transferred from a Railway overstocked with fuel to another Railway under the orders of the Railway Board ?

(b) If so, will Government kindly state the name of the former railway and the quantity of coal concerned ?

**Mr. A. A. L. Parsons :** (a) and (b). By arrangement with the coal trade in July 1924 Government entered into fresh coal commitments for 1925-26 and also agreed to accept for delivery during 1925-26 the arrears on the 31st March 1925 of coal against 1924-25 contracts. If the coal had been distributed from the collieries according to the original distribution list it would have resulted in certain Railways being overstocked with coal beyond their normal balances. Instructions were therefore issued to collieries revising the original distribution orders affecting some 5,98,000 tons of coal for the Bombay, Baroda and Central India, Great Indian Peninsula, North-Western, Eastern Bengal, East Indian, Madras and Southern Mahratta and Oudh and Rohilkhand Railways.

**NARRATIVE AND FINANCIAL AND STATISTICAL STATEMENTS DEALING WITH RAILWAYS.**

190. **\*Dr. K. G. Lohokare :** (a) Has the attention of Government been drawn to the article on " Indian Railways, 1924-25 " which appeared in the *Servant of India* of June 24, 1926 ?

(b) If so, do they propose to direct the Railway Board to adopt the suggestion made therein, namely, that the narrative and the financial and statistical statements dealing with Railways, which enter into the annual Budget of the Railway Board, should be separate from those dealing with the Railways which do not so enter ?

**Mr. A. A. L. Parsons :** Government have seen the article referred to. I think its writer must have overlooked paragraphs 27 to 32 of Volume I of the Report by the Railway Board for 1924-25 and Summaries I to VII and Statements 1 to 4 in Volume II, in which the statistics for State-owned lines are already given separately.

**INCLUSION IN THE SCHEDULE OF DEMANDS FOR GRANTS FOR RAILWAY EXPENDITURE OF DEBITS AND CREDITS TO STORES ACCOUNT AND TO MANUFACTURE ACCOUNT.**

191. **\*Dr. K. G. Lohokare :** Do Government propose to include, in future, in the Schedule of Demands for Grants for railway expenditure, debits and credits to Stores Account and to Manufacture Account, as is done in regard to the Depreciation Fund Account ; and if not, why not ?

**Mr. A. A. L. Parsons :** No, for the reason that the Budget (pink) books of each Railway which are presented to the House as part of the detailed Railway Budget already give full particulars relating to stores transactions and manufacture operations.

**CONFIRMATION ON CERTAIN OFFICERS OF THE STATUS OF SECRETARY OR DEPUTY SECRETARY TO THE GOVERNMENT OF INDIA.**

192. **\*Dr. K. G. Lohokare :** Is it a fact that the holders of certain appointments in the Central Government are granted the status of Secretary or Deputy Secretary to the Government of India ; and if so, will Government kindly state what exactly the grant of such status implies ?

**The Honourable Sir Alexander Muddiman :** The answer is in the affirmative. The grant of such status implies that, under the rules regulating the transaction of business in the Government of India, such officers occupy the same position as the corresponding Secretariat officials.

**REPORT OF MR. POOLEY ON THE CANTEEN SERVICE FOR BRITISH TROOPS IN INDIA.**

193. **\*Dr. K. G. Lohokare :** (a) Will the Government be pleased to state whether the investigation of Mr. Pooley, Deputy General Manager of the Army, Navy and Air Force Institute, into the condition of the Canteen Service for British troops in India is complete, and if so, whether his report has been received by the Government of India ?

(b) Will the Government be pleased to state whether the report of Mr. Pooley will be published ; if so, when, and if not, why not ?

(c) Will the Government be pleased to state whether the Central Legislature will be consulted on the report of Mr. Pooley before any action is taken thereon by Government, and if not on what grounds ?

(d) Will the Government be pleased to state the approximate period of time by which their conclusions on the report of Mr. Pooley will be published ?

**Mr. E. Burdon :** (a)—(d). There appears to be considerable misapprehension as to the conditions under which Mr. Pooley, Deputy General Manager of the Navy, Army and Air Force Institutes came out to India. He came as a representative of the Navy, Army and Air Force Institutes to make an examination on their behalf into the canteen service for British troops in India and all the expenses in connection with this deputation were borne by that organisation. He has made no report to the Government of India, but presumably has done so to his own Board : on the other hand, the military authorities are indebted to him for furnishing them with most valuable suggestions and advice on the subject of canteen organisation and operation ; and he has also supplied certain notes of the conditions on which, in his personal opinion, the Board of the Navy, Army and Air Force Institutes might be prepared to consider favourably a request that they should undertake the management of canteens for British troops in India, if any such request is made to them.

CANTEEN SERVICE FOR BRITISH TROOPS IN INDIA.

194. **\*Dr. K. G. Lohokare** : Do Government propose to bring in any motion in the Central Legislature in order to give effect to their conclusions on the future arrangements of the Canteen Service for British troops in India ? In the alternative, do Government propose to give the Central Legislature facilities for discussion of the Government proposals, before any action is taken thereon ?

**Mr. E. Burdon** : The answer to the first part of this question is in the negative. As to the second part, I invite the attention of the Honourable Member to the reply which I have just given to part (c) of starred question No. 178.

**Dr. K. G. Lohokare** : May I know if it means that the central revenues are to be taxed without permission.

**Mr. E. Burdon** : No, Sir,

CANTEEN SERVICE FOR BRITISH TROOPS IN INDIA.

195. **\*Dr. K. G. Lohokare** : Will Government be pleased to state if the British units in India have, at any time since the investigation by Mr. Pooley was undertaken, been consulted by the Army Headquarters, regarding the canteen arrangements in their respective areas, and if so in what respects ? Will the Government be pleased to lay on the table an analysis giving the gist of the replies received, together with the names of the units ?

**Mr. E. Burdon** : The attention of the Honourable Member is invited to the reply which I have given to part (b) of question No. 179.

REMUNERATION OF MR. MURRAY AS TEMPORARY CONTROLLER OF THE ARMY CANTEEN BOARD (INDIA).

196. **\*Dr. K. G. Lohokare** : Will Government be pleased to state the terms on which the services of Mr. Murray, an official of the Navy, Army and Air Force Institute, were obtained as a temporary Controller of the Canteen Board, and when do they expire ?

**Mr. E. Burdon** : The Government of India do not feel at liberty to disclose the terms on which the services of Mr. Murray, as temporary Controller, have kindly been placed at the disposal of the Army Canteen Board by the Navy, Army and Air Force Institutes, without the concurrence of the latter organisation, and time does not permit of a reference being made to their Board which has its headquarters in London. I think I may say, however, that the terms are favourable to the Army Canteen Board. Mr. Murray's services will continue to be lent until October next.

**Dr. K. G. Lohokare** : May I know if it is intended that the services of Mr. Murray will be continued ?

**Mr. E. Burdon** : There is no such intention at present, Sir.

INDIANISATION OF THE SUPERIOR SERVICES OF COMPANY-MANAGED RAILWAYS.

197. **\*Dr. K. G. Lohokare** : With reference to the statement made by the Honourable Sir Charles Innes on February 8, 1926, that Railway Companies, in return for the extension of the Lee concessions to their officers.

have agreed to expedite training facilities in order that they may work up to a recruitment of 75 per cent. of the total number in their departments in India, will Government kindly state what rules, if any, have been made for recruitment on Company Railways corresponding to those promulgated last month in connection with State Railways ?

**The Honourable Sir Charles Innes :** No rules have yet been framed but the matter is now under consideration with the Agents and the Boards of Directors of the Company-worked Railways concerned.

#### DETERMINATION OF THE PRODUCTIVITY OF RAILWAY PROJECTS.

198. **\*Dr. K. G. Lohokare :** Will Government kindly lay on the table a comparative statement shewing the definition of productive railways as laid down in 1881 by the Secretary of State and as now in force ?

**Mr. A. A. L. Parsons :** The criterion for determining the productivity of railway projects in 1881 was a return of 4 per cent. on the capital invested, within a period of 5 years after the opening of the line. The general standard at present in force is 6 per cent. but this rate was fixed in 1922 and will require reconsideration in view of the lower rate of interest at which the Government of India's loans have been recently raised.

#### AMALGAMATION OF THE EXISTING RAILWAYS INTO SUITABLE AND ECONOMIC GROUPS.

199. **\*Dr. K. G. Lohokare :** With reference to paragraph 37 at page 80 of the Report of the Indian Retrenchment Committee, will Government kindly state what progress has so far been made in the preparation of a scheme for the amalgamation of the existing Railways (both State and Company) into suitable and economic groups ?

**Mr. A. A. L. Parsons :** No general scheme has been prepared, but since the Indian Retrenchment Committee reported, the Oudh and Rohilkhand Railway has been amalgamated with the East Indian Railway, and there have been important adjustments of territory between the East Indian, North Western, and the Great Indian Peninsula Railways.

**Dr. K. G. Lohokare :** Is it ever intended that that recommendation will be taken into serious consideration ?

**Mr. A. A. L. Parsons :** I cannot say, Sir.

#### NUMBER OF INDIAN PILGRIMS TO THE HEDJAZ.

200. **\*Shaikh Mushir Hosain Kidwai :** Will the Government be pleased to state the number of Indian pilgrims who went to the Hedjaz for the Haj this year and how many have used their return tickets so far ?

**Mr. J. W. Bhore :** About 19,500 Indian pilgrims went to the Hedjaz this year, of whom nearly 11,500 took return tickets. The Government of India have not yet received complete information regarding returning pilgrims but up to the 15th July last 4,041 pilgrims had used their return tickets.

**TREATMENT OF HAJ PILGRIMS ON BOARD SHIP AND AT THE QUARANTINE STATION AT KAMARAN, ETC.**

201. **\*Shaikh Mushir Hosain Kidwai :** Will the Government state whether or not they have received any complaints as to the treatment of the pilgrims on board the ships and at the quarantine station and whether there was a fire on any pilgrim ship ?

**Mr. J. W. Bhore :** The Government of India have not received any complaints regarding the treatment of pilgrims on board ship. They have received only two complaints regarding the treatment of certain pilgrims at Kamaran and these are under investigation. A fire is reported to have broken out on the " S. S. Armanestan " which was carrying pilgrims from Jeddah to Bombay, but the Government of India have hitherto received no official information from the Local Government on the subject.

**Mr. K. Ahmed :** Are Government, for the benefit of the country, going to expedite their inquiries because a fire on the S. S. " Afghanistan ", in which so many lives were lost, is a serious question ? Will the Government be pleased at the same time to repair the loss which they have suffered ?

**Mr. J. W. Bhore :** I do not subscribe to the many incorrect statements which have crept into my Honourable friend's question but I can assure him that the Local Government will be asked for information.

**GRANT OF FACILITIES TO INDIAN PILGRIMS BY THE HEDJAZ GOVERNMENT.**

202. **\*Shaikh Mushir Hosain Kidwai :** Will the Government state if the Hedjaz Government offered all necessary facilities to the Indian pilgrims to perform their Haj according to their beliefs ?

**Sir Denys Bray :** The report of His Majesty's Consul, Jeddah, is still awaited.

**LOSS OF LIFE AND PROPERTY AMONG INDIAN PILGRIMS DURING THE ATTACK OF THE NAJDIS AT TAIF.**

203. **\*Shaikh Mushir Hosain Kidwai :** Will the Government state if during the attack of the Najdis at Taif any Indian lost his life or property ?

**Sir Denys Bray :** As a result of careful enquiries Government believe that five British Indian subjects were killed, of whom two were domiciled in the Hedjaz.

The Hedjaz Government lately appointed a committee to enquire into claims for compensation arising out of the incident. I understand all claims have been admitted except one which is under further examination.

**Mr. K. Ahmed :** What is the amount of the claims that they put in and what is their description ?

**Sir Denys Bray :** The claims amount to just under £5,000 and about 7,800 Majidias.

## GRANT OF COMPENSATORY ALLOWANCES TO THE TELEGRAPH STAFF IN BOMBAY.

204. \*Mr. N. M. Dumasia : (a) Will Government be pleased to state whether the majority of the telegraph staff in Bombay are general service men brought to Bombay in the interests of the service ?

(b) Are they given any more pay than they would get in their own places of residence ?

(c) Is it not a fact that the house rents in Bombay are higher than in any other places in the Presidency ?

(d) Is it a fact that the benefit of the compensatory allowance has been extended to gazetted officers and not to the non-gazetted ranks of the service ?

(e) Have the latter pressed for the extension of the benefit of the compensatory allowances to them also ?

(f) Will Government be pleased to state why the subordinate staff have not been granted the relief ?

(g) Is it a fact that the Indian Telegraph Association passed a resolution in March 1925 viewing with deep concern the restriction of relief to gazetted officers only and thus creating a distinction ?

(h) Is it a fact that several other Government Departments in Bombay have been drawing allowances since 1922 ?

(i) Is it a fact that several representations have been sent to Government by telegraph masters and telegraphists praying for redress of their grievance in regard to allowance ?

(j) What steps Government have taken to meet their prayers ?

**The Honourable Sir Bhupendra Nath Mitra :** (a) Yes.

(b) No. The condition of their service requires them to serve anywhere in India or Burma on the same pay.

(c) The fact is as stated.

(d) Yes.

(e) Yes, through their Service Associations.

(f) The matter is under consideration.

(g) Yes.

(h) Yes.

(i) No. Representations have, however, been received from Telegraph Associations as stated at (e).

(j) The question of granting relief to these classes is under consideration.

**Mr. J. Baptista :** Is it true that the Eastern Telegraph Company pay higher salaries to their employees than the Indian Telegraph Department does ?

**The Honourable Sir Bhupendra Nath Mitra :** I have no definite information on the point.

**Mr. J. Baptista :** Will the Honourable Member kindly ascertain this and see his way to pay the same salaries to the Indian Telegraph Department ?

**The Honourable Sir Bhupendra Nath Mitra** : I am quite willing to make the inquiry suggested by my Honourable friend but I can give him no assurance in regard to the latter part of his question because conditions of service may differ enormously.

### UNSTARRED QUESTIONS AND ANSWERS.

#### REORGANISATION OF THE WORK ON COMPANY-MANAGED RAILWAYS ON A DIVISIONAL BASIS.

**38. Dr. K. G. Lohokare** : Will Government kindly state what systems, if any, of the Company-worked Railways have reorganised their work on a divisional basis ?

**Mr. A. A. L. Parsons** : None of the Company-worked Railways has introduced the divisional system completely ; but the Bengal Nagpur and South Indian Railways have taken a preliminary step in this direction by splitting up their Traffic Department into Transportation and Commercial Departments.

#### TERMS OF APPOINTMENT OF SIR CLEMENT HINDLEY AS CHIEF COMMISSIONER OF RAILWAYS.

**39. Dr. K. G. Lohokare** : Will Government kindly state the terms of appointment of Sir Clement Hindley as Chief Commissioner of Railways ?

**The Honourable Sir Charles Innes** : Sir Clement Hindley was appointed Chief Commissioner of Railways with the approval of the Secretary of State for a period of five years from 1st November 1922. His pay is Rs. 6,000 per mensem and he earns leave under the Fundamental Leave Rules. He is entitled to receive a gratuity of Rs. 25,000 on retirement after five years service as Chief Commissioner or on earlier invaliding or death.

#### PAY OF THE SUBORDINATE STAFF OF THE GREAT INDIAN PENINSULA RAILWAY EMPLOYED AT BOMBAY AND OTHER PLACES.

**40. Mr. N. M. Joshi** : Will the Government be pleased to give statements of the scales of pay of the subordinate staff on the Great Indian Peninsula Railway working at Bombay and other places, including scales prior to 1919 and the present scales together with the dates on which the scales were revised ?

**The Honourable Sir Charles Innes** : The information I have dates back to 1921 and covers some 25 pages of print. I am sorry that I am not prepared to go to the expense of printing it in the official report nor am I prepared to guarantee that the scales are absolutely up-to-date. But if the Honourable Member will specify exactly what class of subordinates he has in mind, and if he will keep the number within reasonable limits, I will show him the information available in my office.

#### INADEQUACY OF THE PRESENT SCALES OF PAY OF CERTAIN OF THE SUBORDINATE STAFF EMPLOYED ON THE GREAT INDIAN PENINSULA RAILWAY.

**41. Mr. N. M. Joshi** : (a) Will the Government be pleased to state whether complaints have been received from the subordinate staff working on the Great Indian Peninsula Railway in the administrative offices at



Bombay, at Victoria Terminus and at Wadi Bunder regarding the inadequacy of their present scales of pay ?

(b) Have Government taken any action to revise the scale of pay ?

(c) If the answer to (b) be in the negative, will the Government be pleased to give reasons for not taking any action ?

**The Honourable Sir Charles Innes :** (a) to (c). Government have received copies of the resolutions passed by the subordinate staff referred to by the Honourable Member and no action was taken on them as matters of this nature are left to the discretion of the Agents. The Government note that the minimum pay of clerks in the Agent's office was 100 per cent. greater in 1921 than before the War and that the maximum pay was raised from Rs. 250 to Rs. 350.

#### WORKING HOURS OF THE STATION STAFF EMPLOYED ON THE GREAT INDIAN PENINSULA RAILWAY.

**42. Mr. N. M. Joshi :** (a) Will the Government be pleased to state whether it is a fact that the station staff on the Great Indian Peninsula Railway has to work in two shifts only, that is from 10 A.M. to 7 P.M. and from 7 P.M. to 10 A.M. ?

(b) Do Government propose so to arrange the hours of work as not to exceed eight hours a day ?

#### WORKING HOURS OF THE LINE STAFF EMPLOYED ON THE GREAT INDIAN PENINSULA RAILWAY.

**43. Mr. N. M. Joshi :** (a) Will the Government be pleased to state if it is a fact that the line staff working on the Great Indian Peninsula Railway has to work continuously throughout the year without a single off-day or holiday ?

(b) Is it a fact that in order to get one off-day in a week, a person is required to work on one day continuously for 24 hours ?

**The Honourable Sir Charles Innes :** I propose to reply to questions Nos. 42 and 43 together.

Government have no information other than that given in reply\* to question No. 140 asked by Dr. K. G. Lohokare on the 20th August 1926. The question of granting a weekly rest day is, however, under the consideration of the Government of India.

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\*ANSWER TO QUESTION NO. 140 ASKED BY DR. K. G. LOHOKARE IN THE LEGISLATIVE ASSEMBLY ON 20TH AUGUST 1926.

(a) & (b). On State Railways (including the Great Indian Peninsula and East Indian Railways) the working hours of all staff other than those employed in connection with the working of trains are limited to 60 hours per week. The same practice is observed on nearly all Companies Railways including the Madras and Southern Mahratta Railway. The question of granting allowances for Sunday work is still under the consideration of the Government of India.

### REMOVAL OF THE HARDSHIPS UNDER THE "DEBIT" SYSTEM ON THE GREAT INDIAN PENINSULA RAILWAY.

44. **Mr. N. M. Joshi :** (a) Will the Government be pleased to state whether the "Debit" system prevails to a great extent on the Great Indian Peninsula Railway and whether complaints have been received from the staff against the heavy penalties inflicted under this system ?

(b) Do Government propose to take immediate action to remove the hardships, if any, under the "Debit" system ?

**The Honourable Sir Charles Innes :** The Government are not quite sure what the "Debit" system referred to is. They are enquiring of the Agent and will let the Honourable Member know the result on receipt.

### GRANT OF RECOGNITION TO THE UNIONS OF THE STAFF EMPLOYED ON THE GREAT INDIAN PENINSULA RAILWAY.

45. **Mr. N. M. Joshi :** (a) Will the Government be pleased to state whether the Unions of the staff working on the Great Indian Peninsula Railway had applied for official recognition ?

(b) If the answer to (a) be in the affirmative, will the Government state whether official recognition was granted and if not, why not ?

**The Honourable Sir Charles Innes :** The application has been received but at present the general question of policy arising out of the passing of the Trades Union Act is under consideration. In any case it will be for the Agent, not for the Railway Board, to recognise particular Unions.

### REPORT ON THE WORKING OF THE STAFF COUNCILS ON THE GREAT INDIAN PENINSULA RAILWAY.

46. **Mr. N. M. Joshi :** (a) Will the Government be pleased to place on the table of this House a complete and up-to-date report on the working of the Staff Councils on the Great Indian Peninsula Railway ?

(b) Will Government be pleased to state whether any action, and, if so what, has been taken by the Staff Councils to redress the grievances, if any, of the staff, especially in matters of inadequacy of pay, leave rules, free residential passes, off-days and working hours ?

**The Honourable Sir Charles Innes :** (a) These Staff Councils deal with purely domestic matters relating to the railway staff of the Great Indian Peninsula Railway and copies of the minutes of the meetings are not sent to Government in the ordinary course. But the Agent has specially sent up copies of the first eight meetings of the Railway Council for reference in connection with the Honourable Member's question. They are very long, and I am not prepared to publish them. But I shall be happy to let the Honourable Member see them, if he cares to come round to my office. I may mention that the Railway Council itself has suggested that short reports of these proceedings should be published for the information of the staff in the Agent's weekly notes, and this suggestion is now under the Agent's consideration.

(b) The object of the Railway Council, as explained by the Agent at its first meeting, is to give the staff the means of discussing with their officers any matters affecting their welfare generally both at work and after work. The members of the Council are at liberty to raise any question of the kind referred to by the Honourable Member, and the minutes of the meetings show that they do in fact raise them. The resolutions of the Staff Council are submitted to the Agent for his consideration and his decision is in due course communicated to the Council.

#### PAY OF THE SHROFFS IN THE CURRENCY OFFICE, BOMBAY.

47. **Mr. N. M. Joshi** : Will the Government be pleased to state whether their attention has been drawn to the inadequate scale of pay of the shroffs as stated in the representation by the Bombay Currency Association, dated 21st December 1925 ? If so, what do they propose to do in the matter ?

**The Honourable Sir Basil Blackett** : Yes. The Government do not consider that the scale of pay is inadequate and do not therefore propose to take any action.

#### PAY OF SHROFFS IN THE CURRENCY OFFICE, BOMBAY.

48. **Mr. N. M. Joshi** : (a) Will the Government be pleased to state whether it is a fact that they refused to revise the scale of pay of the shroffs in the Currency Offices only on the ground that they were revised in 1920 and 1922 ?

(b) Will Government be pleased to state whether the following comparative statement showing the scales of pay of the clerks and the shroffs in the Bombay Currency Office is correct ?

Date.	Clerks.		Shroffs.		Hd. Shroffa.
	Minimum.	Maximum.	Minimum.	Maximum.	
1919.. .. Rs.	30	100	30	50	50
1st January 1920 .. "	40	100	40	60	70
13th October 1920 .. "	50	100	50	70	80
1st March 1922 .. "	60	100	50	80	90
1st June 1924 .. "	60	150	50	80	90

(c) If the answer to the above be in the affirmative, do Government propose proportionately to revise the scale of shroffs along with that of the clerks ?

**The Honourable Sir Basil Blackett** : (a) As stated in reply to the preceding question, the scale of pay was not considered inadequate.

(b) Yes.

(c) No.

#### PAY OF MENIALS IN THE CURRENCY OFFICE, BOMBAY.

49. **Mr. N. M. Joshi** : 1. (a) Will the Government be pleased to state whether it is a fact that the minimum pay of lower class servants in the Bombay Currency Office, called " menials " is only Rs. 20 (excluding

house rent allowance) and their maximum pay Rs. 24 only ? If so, in how many years do they get their maximum ?

(b) Will Government be pleased to say when these scales of pay referred to in the above questions were fixed and whether they have ever been revised ? If so, when ? If not, why not ?

2. Is it a fact that in some of the Imperial Departments in Bombay the revised scale of pay of the clerical staff is superior to that obtaining in the Departments of the Local Governments ? If so, are Government prepared to apply the same principle in the case of menials and revise their scale without waiting for the lead of the Local Government in the matter ?

**The Honourable Sir Basil Blackett :** The information required by the Honourable Member has been called for and will be supplied to him as soon as possible.

#### REVISION OF THE CONDITIONS OF SERVICE OF MENIALS IN ALL GOVERNMENT DEPARTMENTS.

50. **Mr. N. M. Joshi :** Will the Government be pleased to state if the orders in the matter regarding the question of revising the conditions of service of the menials in all Government departments have yet been issued ? If not, why not ?

**The Honourable Sir Basil Blackett :** It is not understood to what revision of conditions of services of menials the Honourable Member is referring, but if he is referring to the Resolution moved by Mr. Bole in the Bombay Legislature to increase the pay of peons in Bombay, the Government of India have no information regarding the action taken by the Local Government.

#### PROVIDENT FUND AND GUARANTEE CONTRIBUTIONS BY THE CURRENCY OFFICE STAFF.

51. **Mr. N. M. Joshi :** Will the Government be pleased to state if they have arrived at any decision in regard to the question of Provident Fund and Guarantee Contributions by the Currency Office staff ? If not, when will they publish the decision ?

**The Honourable Sir Basil Blackett :** I would refer the Honourable Member to the reply given in the Assembly on the 24th March 1926 to the starred question No. 1414 by Mr. B. Das on the same subject, and would add that the new Fidelity Insurance Scheme for the staff of the Currency Offices was introduced with effect from the 1st April 1926.

#### INTRODUCTION OF A PROVIDENT FUND FOR GOVERNMENT SERVANTS.

52. **Mr. N. M. Joshi :** Will the Government be pleased to state if they have come to any decision in regard to the Resolution of the Council of State passed in 1924, for the introduction of a Provident Fund system ? If not, will they be pleased to lay on the table a statement of steps which have been taken in this direction up to now during the course of the last two years ?

**The Honourable Sir Basil Blackett :** I would refer the Honourable Member to the reply given on the 24th March 1926 to Mr. B. Das's starred question No. 1415. The matter is still under consideration.

#### REVISION OF THE PAY OF THE SUPERINTENDENTS OF THE CURRENCY OFFICES.

**53. Mr. N. M. Joshi :** Will Government be pleased to state whether they are aware that the scales of pay of the Superintendents, etc., of the Currency Offices was not revised by the revision of 1924 ? If so, will Government be pleased to state whether they are going to revise the scale of pay of the Superintendents of the Currency Offices now ? If not, why not ?

**The Honourable Sir Basil Blackett :** I would refer the Honourable Member to the reply given on the 24th March 1926 to the identical question No. 258 asked by Mr. B. Das.

#### GRANT OF TWO OR THREE ADVANCE INCREMENTS TO THE CLERKS OF THE CURRENCY OFFICE, BOMBAY.

**54. Mr. N. M. Joshi :** Are Government aware that on the introduction of the revision of 1924, the senior clerks got particularly very little benefit and that in the Bombay Currency Office clerks got benefits as follows :

Clerks who had put in three years service got Rs. 75,

Clerks who had put in 10 years service got Rs. 80,

Clerks who had put in 16 years service got Rs. 95 ?

Do Government propose to consider the advisability of granting two or three increments to allay the heartburning and discontent prevailing amongst them ?

**The Honourable Sir Basil Blackett :** The Honourable Member is referred to the reply given on the 2nd September 1925 to question No. 471 (2) asked by Mr. M. K. Acharya.

The Government do not propose to consider the advisability of granting two or three advance increments.

#### RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING OF THE BOMBAY CURRENCY ASSOCIATION ON THE 26TH JUNE 1926.

**55. Mr. N. M. Joshi :** Will Government be pleased to state whether they have received the copies of resolutions passed at the annual general meeting of the Bombay Currency Association held on 26th June 1926 ? If so, have Government given consideration to the grievances set down in them and what steps are being taken to redress them ?

**The Honourable Sir Basil Blackett :** Copies of the resolutions have just been received and are under consideration.

#### DELAY IN ACCORDING SANCTION TO THE BUDGETS OF CANTONMENT BOARDS.

**56. Khan Bahadur Haji Wajihuddin :** (a) Are the Government aware that the Cantonment Board, Ambala, submitted its revised budget for 1925-26 for sanction to the Northern Command in October, 1925 ?

(b) Is it a fact that the budget was received after sanction in April 1926, when all the provisions made in the revised budget had automatically lapsed ?

(c) Is it a fact, that the Command disallowed certain provisions in the Budget without consulting the Cantonment Board ?

(d) Do Government propose to issue instructions that Cantonment Boards be given a free hand in framing their budgets so long as financial equilibrium is maintained and that there should be no abnormal delay in the sanction of these budgets in the Commands ?

**Mr. E. Burdon :** (a) Presumably the Honourable Member is referring to the budget estimates for 1926-27, which included revised figures for 1925-26. If so, the reply is in the affirmative.

(b) It is a fact that the budget estimates were sanctioned in April, but the sanction referred to the expenditure to be incurred during 1926-27. Provision of funds does not lapse in the manner suggested by the Honourable Member.

(c) The reply is in the negative.

(d) Instructions have already been issued with a view to regulating the mutual position of General Officers Commanding-in-Chief and Cantonment Authorities in regard to this matter.

#### ABOLITION OF THE CANTONMENT OF NOWGONG.

**57. Khan Bahadur Haji Wajihuddin :** (a) Is it a fact that the Government intend to abolish the Cantonment of Nowgong ?

(b) Are the Government aware that this proposed abolition has caused great consternation and panic among the people of Nowgong ?

(c) Are the Government aware that bungalows in that Cantonment were built before the Mutiny ?

(d) Is it a fact that many of these bungalows were burnt down by the sepoys in 1857 and were rebuilt by the owners on the understanding that Nowgong was a permanent Cantonment ?

(e) Are the Government aware that the All-India Cantonments Conference in its last session passed a resolution requesting Government to retain the Cantonment ?

(f) Is it a fact that the Government is in search of a good site for the Physical Training School ?

(g) Will it be possible to locate this school in Nowgong ?

**Mr. E. Burdon :** (a) The answer is in the affirmative.

(b) Protests were received from inhabitants of the Cantonment.

(c) and (d). There were bungalows in Nowgong before the Mutiny, and some of these were burnt down during the Mutiny. I am not aware whether these particular bungalows were rebuilt or not.

(e). Yes. A deputation of the All-India Cantonments Association which came to see me was informed that Nowgong had to be abandoned as a cantonment for military reasons, but that Government would do what they could to safeguard the interests of the inhabitants.

(f) and (g). The answers are in the negative.

### CONSTRUCTION OF STALLS BY THE CANTONMENT AUTHORITY OF KASAUJI.

58. **Khan Bahadur Haji Wajihuddin :** (a) Are the Government aware that stalls have been constructed in Kasauli from the Cantonment Fund and have been given on rent to all sorts of business men ?

(b) Will the Government be pleased to state under what section of the Cantonment Act of 1924, the Cantonment Authority is spending Cantonment Fund money for such a purpose ?

(c) Will the Government be pleased to lay on the table a statement showing the number of stalls erected up to date, the cost of construction and the amount of rent received by the Cantonment Authority from the same ?

(d) Was the sanction of the Government obtained to this commercial undertaking ?

(e) Are the Government aware that there is great discontent in the Cantonment against the action of the Cantonment Authority ?

(f) Do Government propose to stop the further construction of these stalls and direct the sale by auction of those already constructed ?

**Mr. E. Burdon :** I am making enquiries and will let the Honourable Member know the result as soon as possible.

### POWERS OF THE VICE-PRESIDENTS OF CANTONMENT BOARDS.

59. **Khan Bahadur Haji Wajihuddin :** (a) Has the attention of the Government been drawn to the resolution No. 14, passed in the last session of the All-India Cantonments Conference published on page 17 of the *Cantonment Advocate* of March 1926 ?

(b) Is it a fact that under the existing arrangement, the Vice-President has no power in the executive work of the Cantonment administration ?

(c) Are the Government aware that in all advanced municipalities the executive and financial control thereof is virtually centred in the two Vice-Presidents ?

(d) Do Government propose to issue executive instructions to elect two Vice-Presidents (instead of one) and to delegate powers to the Vice-Presidents on the lines suggested in the Resolution referred to above ?

**Mr. E. Burdon :** The matter represented has recently been brought to the notice of the Government of India by the All-India Cantonments Association to which the Honourable Member himself belongs. It is being examined and the orders of the Government of India will be communicated to the Honourable Member in due course.

### SPECIAL CENSUS OF THE CIVIL POPULATION OF THE KASAUJI CANTONMENT.

60. **Khan Bahadur Haji Wajihuddin :** (a) Are the Government aware that Kasauli being a hill station, its civil population varies considerably in the summer and the winter seasons ?

(b) Is it a fact that the civil population of Kasauli as declared in the last census was its population in the winter season ?

(c) Are the Government aware that the All-India Cantonments Conference has passed a resolution in its last session that the only just method of determining the civil population of Kasauli for the purposes of the creation of an elected Board there is to take the average of its summer civil population ?

(d) Is it a fact that the Government have accepted this principle ?

(e) Do Government propose to arrange a special census of the civil population of Kasauli in the summer season ?

(f) If not, will the Government be pleased to state the reasons for its inability to do so ?

**Mr. E. Burdon :** (a) The Honourable Member is referred to the reply given by me on the 25th August 1925 to part (3) of his question No. 23.

(b) The civil population of the Kasauli Cantonment as declared in the last census represents the population on the 18th March 1921.

(c) Yes, Sir.

(d) No, Sir. Government cannot accept the view that persons who are not permanent and continuous residents of a cantonment (even though a hill cantonment) are necessarily entitled to representation in the Cantonment Board.

(e) A representation in favour of a special census of the civil population of the Kasauli Cantonment will receive consideration if it is supported by some *prima facie* evidence showing that the population has risen above 2,500. Such representation, I need hardly say, would have to be submitted to the Board, as the Board has authority, if it wishes, to take a census.

(f) Does not arise.

#### GRANT OF SEPARATE REPRESENTATION IN THE LEGISLATIVE ASSEMBLY TO REPRESENTATIVES OF CANTONMENTS.

**61. Khan Bahadur Haji Wajihuddin :** (a) Are the Government aware that in the last session of the All-India Cantonments Conference, the representatives of the Cantonments of India expressed great regret and disappointment at the failure of the Government to recognise their right to separate representation in the Assembly ?

(b) Is it a fact that the All-India Cantonments Association sent cables to the Parliamentary Committee of Indian Reforms to provide a special seat for the Cantonments in the Assembly ?

(c) Is it true that the said Association carried on a lengthy correspondence with the Government of India in the year 1922-23 on this very subject and that the Government of India (Legislative Department) in its letter No. 6941-A. C., dated 27th September 1923, and No. 7737-A. C., dated 27th November, 1923, promised to allot a nominated seat to a representative of the Cantonments ?

(d) If so, is it a fact that this promise was never fulfilled ?

(e) Are the Government aware that the civil population of the Cantonments numbers about a million and is governed by a special law ?

(f) Are the Government aware that there is intense feeling in the Cantonments about this denial of the right of representation to the Cantonment people ?



(g) Is it a fact that some of the existing constituencies in the Assembly represent a much smaller number of people than the civil population of Cantonments ?

(h) Do Government propose to take immediate steps to create for the Cantonments two special Muslim and non-Muslim constituencies for two elected seats in the Assembly ?

**Mr. L. Graham :** (a) Government are aware of the three resolutions passed by the All-India Cantonments Conference in its last session held on the 13th and 14th March, 1926.

(b) Government have no information.

(c) It is clear from the letters of the Government referred to that they never promised to reserve a nominated seat for a representative of cantonments. What the Government undertook was that, in the event of no person having special knowledge of cantonment conditions being returned at the last general election to the Assembly they would consider whether it would be possible to nominate such a person.

(d) No. As more than one person having the special knowledge referred to in part (c) was returned to the Assembly no occasion arose for the carrying out of the undertaking.

(e) Including Aden the total population of cantonments is roughly three quarters of a million.

(f) The answer is in the negative.

(g) The information required to verify this supposition is available to the Honourable Member.

(h) Government have no such proposal under consideration.

#### RECRUITMENT OF INDIANS AS EXECUTIVE OFFICERS OF CANTONMENTS.

62. **Khan Bahadur Haji Wajihuddin :** (a) Is it a fact that in a recent interview of a deputation of the All-India Cantonments Association with the Secretary, Army Department, Government of India, the latter informed the members of the Association that the Government had reserved 21 posts of Executive Officers for Indians ?

(b) Is it a fact that the Government intend to fill up these posts by recruitment from the Indian officers holding Viceroy's Commissions in the Army and Territorial Forces ?

(c) Has the attention of the Government been drawn to an article in the *Cantonment Advocate* of July 1926 headed "Indianisation of Executive Officers" in which strong exception has been taken to the above method of recruitment from the above classes ?

(d) Are the Government aware that the general feeling in the Cantonments is rather to have the existing arrangements than to have a number of Indian officers of the above type working as Executive Officers ?

(e) Have Government seen the alternative scheme discussed in the aforesaid article of the *Cantonment Advocate* ? If so, do Government propose to consider it ?

**Mr. E. Burdon :** (a) The answer is in the affirmative except that the number of appointments reserved for Indian officers is 20, and the deputation was so informed.

(b) Yes.

(c) Yes.

(d) The existing arrangements include some Indian officers of the type mentioned and Government are not aware of any general feeling adverse to them.

(e) Government do not propose to consider the question of changing the present arrangements without further experience.

#### REFUND OF AMOUNTS SPENT FROM CANTONMENT FUNDS ON CONSERVANCY FOR INDIAN TROOPS.

**63. Khan Bahadur Haji Wajihuddin :** (a) Will the Government be pleased to lay on the table a statement showing the expenditure incurred from the Cantonment Funds of various Cantonments on the conservancy of Indian troops during the 12 years prior to the introduction of the New Cantonment Act ?

(b) Are the Government aware that the debit of this expenditure to the Cantonment Fund has been declared to be improper and illegal by the Craik Committee and Renouf Committee appointed in 1921 to submit proposals for the reform of cantonment administration ?

(c) Have the Government considered the following two extracts from the report of the Craik Committee page 77 and from that of the Renouf Committee page 22 ?

(i) "As a matter of practice the only classes of troops for whom conservancy is provided from public revenues are British troops. In the opinion of the Committee this is illogical ; it is the duty of Government to provide conservancy for all classes of troops, units and formations, in a cantonment."—(*Craik Committee*).

(ii) "We find that in all cantonments throughout India and Burma, the conservancy of Indian troops and followers was debited to the Cantonment Fund and that, on an average the sum involved amounted to as much as 25 per cent. of the total annual expenditure. After mature consideration of the subject we came to the unanimous conclusion that, on principle, it was an illogical and unfair charge on the fund under the provisions of section 29, sub-section (J)."—(*Renouf Committee*).

(d) Will the Government be pleased to say on what grounds they refuse to refund to the Cantonment Fund the amount thus improperly spent ?

(e) Is there any time limit for a claim to such funds ? If so, what ?

(f) Is it a fact that the above expenditure was incurred at the time when the Cantonment Fund was entirely in the hands of the military officers of the Government in the Cantonments and the people had no power of stopping it ?

(g) Do Government propose to reconsider its position as to the refund of the above amount ?

**Mr. E. Burdon :** (a)—(g). The matter is one which has been raised by the All-India Cantonments Association. A deputation from this Association will shortly be received by His Excellency the Commander-in-Chief and His Excellency's reply on this point will be published.

### REPRESENTATIVES OF DISTRICT MAGISTRATES ON CANTONMENT BOARDS.

64. **Khan Bahadur Haji Wajihuddin :** (a) Are the Government aware that under section 14 (1) (b) of the Cantonments Act, the District Magistrate often nominates the Magistrate stationed in the Cantonment as his representative on the Cantonment Board ?

(b) Is it a fact that the Magistrate stationed in the Cantonment is the Magistrate who tries all the cases filed by the Cantonment Authority under the Cantonments Act ?

(c) Are the Government aware that all prosecutions are sanctioned by the Cantonment Board and that the Cantonment Magistrate in his capacity as a member of the Board is a party to such sanctions ?

(d) If the reply to the above be in the affirmative, do Government propose to issue instructions that the District Magistrate may nominate a Magistrate other than the one in whose jurisdiction a Cantonment lies ?

**Mr. E. Burdon :** The Government of India have no information whether the facts are as suggested in the Honourable Member's question. If the Honourable Member can furnish particulars of any concrete case, the Government of India will be prepared to consider the questions which would then arise; but it may be pointed out now that the Government of India are not in a position to issue instructions to District Magistrates.

### REPRESENTATIVES OF DISTRICT MAGISTRATES ON CANTONMENT BOARDS.

65. **Khan Bahadur Haji Wajihuddin :** (a) Are the Government aware that in some Cantonments the District Magistrate has begun to nominate his representative *by office* and not *by name* under section 14 (1) (b) of the Cantonments Act ?

(b) Are Government aware that the effect of this will be a constant change in the representative of the District Magistrate on the Cantonment Board ?

(c) Is it a fact that the Government are themselves opposed to any arrangement disturbing continuity of tenure in the members of the Cantonment Board ?

(d) Do Government propose to issue instructions that nomination under the above section be not made "by office" but "by name" ?

**Mr. E. Burdon :** (a)—(d). The correct interpretation of section 14 (1) (b) of the Cantonments Act, 1924, is given in paragraph 2 (b) of Army Department letter No. 29136-2 (A.D.), dated the 12th June 1925, a copy of which was forwarded to the Honourable Member on the 21st October 1925 in connection with my reply to his question No. 18 in the Assembly on the 25th August 1925. In the circumstances Government do not propose to issue any further instructions on the subject.

### SUB-LETTING OF SURPLUS LAND IN CANTONMENTS BY THE MILITARY DAIRY AND GRASS FARMS.

66. **Khan Bahadur Haji Wajihuddin :** (a) Are the Government aware that under the Land Administration Rules the land actually required and used by the Military Dairy and Grass Farms can be included in class "A" land ?

(b) Are the Government aware that large plots of surplus land are at present in the hands of the Military Dairy and Grass Farms in several Cantonments and these are sub-let by them for cultivation and grazing ?

(c) Are the Government aware that by entrusting the surplus land to the Government Dairy and Grass Farms, " B " class land, which is a source of revenue for the Cantonment Board, has been considerably reduced ?

(d) Do Government propose to issue orders that all such surplus land be transferred to Cantonment Board " B " class land and stop all sub-letting of land by the Military Dairy and Grass Farms as a source of income ?

**Mr. E. Burdon :** (a) The answer is in the affirmative.

(b) Military Grass and Dairy Farms are not in possession of surplus land in Cantonments. As an economical means of reclamation certain lands which have ceased temporarily to give good grass are let out for cultivation for short terms with a view to getting the land clean before again putting the same down to permanent grass. Again certain lands are leased for grazing after the hay crop has been harvested.

(c) and (d). Do not arise.

#### TRANSFER OF THE MANAGEMENT OF "A" CLASS LAND FIT FOR GRAZING IN CANTONMENTS TO THE CANTONMENT BOARDS.

**67. Khan Bahadur Haji Wajihuddin :** (a) Are the Government aware that in several Cantonments parade grounds included in class " A " land and open areas in class " B " land, have been allowed to be used for grazing on payment of a licence fee, separately by the Military Estates Officer and the Cantonment Authority ?

(b) Is it intended by this separate arrangement to set up two rival jurisdictions ?

(c) Do Government propose to direct that for purposes of grazing " A " class land fit for that purpose be placed under the management of the Cantonment Boards ?

(d) In the alternative, do Government propose to devise some system of joint working of grazing plots in a Cantonment, to obviate hardship to the public ?

**Mr. E. Burdon :** (a) The reply is in the affirmative.

(b), (c) and (d). The reply to these questions is in the negative : but if the Honourable Member can quote the particulars of any concrete case in which hardship to the public or loss to Government, has arisen we shall be prepared to inquire into the matter.

#### CASE OF ALLEGED EVASION OF THE PAYMENT OF OCTROI DUTY IN THE JULLUNDUR CANTONMENT.

**68. Khan Bahadur Haji Wajihuddin :** (a) Are the Government aware that on 5th July 1926 an elected member of the Jullundur Cantonment Board informed the Executive Officer of a case of evasion of octroi ?

(b) Is it a fact that on the 7th July 1926 the Executive Officer wrote to the said member that on inquiries made by him up to that day the information supplied by him appeared to be correct ?

(c) Are the Government aware that a day after the Executive Officer passed orders that the information supplied was false and that ordinary octroi should be charged on the goods smuggled ?

(d) Is it a fact that the non-official members approached the Vice-President to call an emergent meeting of the Board to consider the case reported and the action of the Executive Officer ?

(e) Are the Government aware that the President agreed to call an emergent meeting, issued a notice for the same and subsequently cancelled it ?

(f) Will the Government be pleased to state why the notice for the meeting was cancelled ?

(g) Is it a fact that the non-official members subsequently submitted proposals to discuss the case of evasion and the conduct of the Executive Officer in the ordinary meeting of the Cantonment Board held on the 26th July 1926 ?

(h) Are the Government aware that these proposals were not allowed by the President to be laid before the meeting in direct opposition to section 37 (2) of the Cantonments Act and the Government of India Circular No. 30512-3 (A.D.), dated 29th December 1925 ?

(i) Is it a fact that the man charged with the evasion of the octroi secured a copy of the finding of the Executive Officer and filed a criminal complaint against the elected member referred to in part (a) above under sections 182, 193, 211 and 500, Indian Penal Code, and that the President cancelled the emergent meeting and disallowed non-official proposals on the plea that the case was *sub judice* ?

(j) Are the Government aware that the non-official members only desired to discuss the conduct of the Executive Officer ?

(k) Is it a fact that there is great public resentment in Jullundur against the action of the President in not calling an emergent meeting and then disallowing non-official proposals in the ordinary meeting of the Board ?

(l) Do Government propose to make urgent inquiries into the matter and state the action they propose to take in the matter ?

**Mr. E. Burdon :** I am making enquiries and will let the Honourable Member know the result as soon as possible.

#### TABLE OF RENTS FOR BUILDING SITES AND AGRICULTURAL LANDS IN CANTONMENTS.

69. **Khan Bahadur Haji Wajihuddin :** (a) Are the Government aware that under Rule 10 of the Land Administration Rules, it is the Executive Officer who is to prepare tables of rent for building sites and agricultural lands ?

(b) Is it a fact that under rule 13 (6) he is empowered to fix a reserve price as " premium " and under rule 13 (20) a reserve price for the rent of each separate plot of cultivation ?

(c) Are the Government aware that there is no provision in the rules, under which the table of rent or the reserve price as premium or rent should be approved by the Cantonment Board ?

(d) Do Government propose so to modify the rules as to make the previous approval of a Cantonment Board necessary before final adoption in all the above three cases ?

**Mr. E. Burdon :** (a) Presumably the Honourable Member refers to the Military Estates Officer.

(b) Yes, Sir.

(c) The reply is in the affirmative as regards the compilation of the table of rent. As regards the reserve price for premium and rent, the reply is in the negative as the auction in both cases requires the approval of the Cantonment Authority under Rule 13 (11) and (20).

(d) The Government do not consider it necessary to alter the rules. The fixing of tables of rent under Rule 10 is properly assigned to the Military Estates Officer who is the agent of the Government of India, but it is open to him to consult the Cantonment Authority where necessary, and he no doubt will do so in practice.

#### PROVISION OF AN ADEQUATE SUPPLY OF DRINKING WATER FOR THE CIVIL POPULATION IN AMBALA CANTONMENT.

**70. Khan Bahadur Haji Wajihuddin :** (a) Are the Government aware that the water supply in Ambala is in the hands of the Military Engineering Service ?

(b) Is it a fact that so far back as in 1924 the Cantonment Authority, Ambala, wrote to the M. E. S. that 12 more public hydrants were required in the Sadar Bazar to ensure an adequate supply of drinking water to the people ?

(c) Are the Government aware that no attention was paid by the M. E. S. to the above demand till 1926 when the situation became so acute that the Cantonment Board made an emergent request for immediate provision of three hydrants in badly affected localities ?

(d) Is it a fact that the M. E. S. then asked the Cantonment Board to deposit with it the estimated cost of the three urgently needed hydrants ?

(e) Are the Government aware that under the existing arrangement the whole water-tax collected from the civil population in that Cantonment is paid to the M. E. S. and in return it is obligatory on the part of the latter to supply adequate drinking water to the civil population ?

(f) Is it a fact that under the above arrangement all public hydrants had hitherto been provided by the M. E. S. at its own cost ?

(g) Is it a fact that on a reference being made to the Government of India regarding the enhanced amount demanded from the Cantonment Board for water supplied to the civil population, the Government definitely ordered the M. E. S. to continue the old arrangement up to April 1927 ?

(h) Are the Government aware that the Cantonment Board held the demand of the M. E. S. for the cost of the public hydrants required as illegal and unprecedented and opposed to the orders of the Government of India referred to above ?

(i) Is it a fact that to save people from the consequences of getting insufficient or no drinking water the Cantonment Board agreed to advance

the cost of the hydrants as a loan on the condition that the same would be repaid, after the Government had held the charging of the cost of public hydrants from the Cantonment Board to be illegal ?

(j) Do Government propose to enquire into the conduct of the M. E. S. in this matter and direct that public hydrants be provided as before at the request of the Cantonment Board at the cost of the M. E. S. ?

**Mr. E. Burdon :** (a) Yes, but so far as the Cantonment supply of water is concerned, the Military Engineering Service act as the agents of the Cantonment Authority.

(b)—(j). I am making inquiries and will let the Honourable Member know the result in due course.

#### NUMBER OF VOTERS FOR THE LEGISLATIVE ASSEMBLY IN THE MUSLIM AND NON-MUSLIM URBAN CONSTITUENCIES IN THE UNITED PROVINCES.

**71. Khan Bahadur Haji Wajihuddin :** Will the Government be pleased to lay on the table a statement showing the number of voters in each of the Electoral Rolls prepared in 1920, 1923 and 1926 for the Legislative Assembly, United Provinces Urban Constituency, both for Muslims and non-Muslims respectively ?

**The Honourable Sir Alexander Muddiman :** The information for 1920 and 1923 is contained in the Returns showing the results of Elections in India for 1920 and 1923, copies of which are in the Library of this House. Similar information for 1926 is not available.

#### ISSUE OF LIFE LICENCES FOR FIRE-ARMS TO MEMBERS OF THE INDIAN LEGISLATURE.

**72. Khan Bahadur Haji Wajihuddin :** (a) Are the Government aware that under the Arms Rules, 1924, on the expiry of his term as a Member of the Indian Legislature the privilege of exemption from the Arms Act is automatically withdrawn and every holder of fire-arms is bound to obtain a licence on payment of the prescribed fee for a short period of two or three months, which on re-election must be cancelled ?

(b) If so, do Government propose to consider the advisability of issuing life licences to all such persons either free of charge or on the payment of a reasonable fixed amount ?

**The Honourable Sir Alexander Muddiman :** (a) Yes.

(b) No.

#### PAYMENT OF CLAIMS AGAINST THE 7TH HARIANA LANCERS AND THE 2/96TH INFANTRY REGIMENT.

**73. Khan Bahadur Haji Wajihuddin :** (a) Will Government be pleased to state whether they have granted compensation in a claim stated in the starred question No. 924, asked on the 15th September in this Assembly ?

(b) Are Government aware that there are two small similar claims against the 7th Hariana Lancers and the 2/96th Infantry, both demobilised since the war, by court decrees No. 1373 of 1921 passed on 27th April 1922, and No. 3575 of 1921 and dated 15th January 1923 ?

(c) Do Government propose to make inquiries and give similar compensation as mentioned in (a) ?

**Mr. E. Burdon :** (a) Yes, Sir. The full amount of the decree against the regiment was granted by Government.

(b) and (c). If the Honourable Member will be so good as to furnish me with further particulars regarding the claims mentioned in part (b) of his question, I shall be pleased to investigate them.

#### AGREEMENT BETWEEN GOVERNMENT AND THE OWNER OF CERTAIN HOUSES IN POONA.

**74. Khan Bahadur Haji Wajihuddin :** (a) Will Government be pleased to place on the table a copy of the fresh lease entered into between the owner of No. 2, Victoria Road, Poona, and 1-B, Prince of Wales Road, and themselves ?

(b) Is the owner allowed to live in No. 2, Victoria Road, although the bungalow is in the Military Lines ?

(c) Has a similar concession been granted to any other owner ?

(d) If not, why not ?

**Mr. E. Burdon :** (a)—(d). I am making enquiries and will inform the Honourable Member in due course.

#### GRANT OF PERMISSION TO THE OWNER OF NO. 13, ELPHINSTONE ROAD, POONA, TO BUILD A SECOND BUNGALOW IN THE COMPOUND OF HIS HOUSE.

**75. Khan Bahadur Haji Wajihuddin :** (a) Will Government be pleased to state on what conditions a second bungalow was allowed to be built in the compound of No. 13, Elphinstone Road, Poona ?

(b) Will they be pleased to place on the table the original lease of the old bungalow ?

(c) Was the sanction of the Government of India taken before the permission to build a new bungalow was granted to the present owner ?

(d) If not, why not ?

**Mr. E. Burdon :** (a), (c) and (d). The information desired by the Honourable Member is being obtained and will be communicated to him as soon as possible.

(b) The answer is in the negative.

#### GRANT OF PERMISSION BY THE MILITARY AUTHORITIES AT POONA FOR THE CONSTRUCTION OF A CLUB HOUSE IN THE COMPOUND OF NO. 5, LOTHIAN ROAD.

**76. Khan Bahadur Haji Wajihuddin :** (a) Is it a fact that the military authorities at Poona have granted permission to build a Club House in the compound of No. 5, Lothian Road ?

(b) Is the site of this compound divided into two parts ?

(c) If so, on what conditions ?

(d) Will they be pleased to place these conditions on the table ?



**Mr. E. Burdon :** The information desired by the Honourable Member is being obtained and will be communicated to him as soon as possible.

**ORIGINAL LEASE OF THE SITE FOR THE SIR DINSHAW PETIT PARSEE GYMKHANA AT POONA.**

**77. Khan Bahadur Haji Wajihuddin :** (a) Will Government be pleased to place on the table a copy of the original lease of the site granted to the promoters of the Sir Dinshaw Petit Parsee Gymkhana on the parade ground of the Poona Rifles, Poona ?

(b) Was any value for the land recovered or any rent received from them ?

**Mr. E. Burdon :** (a) The Government think it unnecessary to lay a copy of the agreement on the table.

(b) The Parsee Gymkhana pays an annual rent for the land.

**EXPENDITURE ON EDUCATION BY THE POONA CANTONMENT BOARD.**

**78. Khan Bahadur Haji Wajihuddin :** (a) Will Government be pleased to state the amount of the yearly income derived by the Poona Cantonment Board ?

(b) What amount is spent by this Board on " Education " out of this income ?

(c) By what amount is this expenditure on education short of that spent by the Poona City Municipality on education ?

(d) Do Government intend to issue instructions to this Board to spend an equal sum in proportion to that spent by the neighbouring Municipality ?

**Mr. E. Burdon :** (a) Rs. 3,52,984.

(b) Rs. 3,600.

(c) The Government of India are not aware of the present amount spent by the Poona Municipality on education, nor of the proportion which that amount bears to the total income of the Municipality.

(d) Government are issuing general instructions to General Officers Commanding-in-Chief that in sanctioning the budgets of Cantonment Authorities they should take suitable action to see that, as far as possible, the proposed expenditure on education is on a scale approximating, in each instance, to that spent in the neighbouring municipality. Government will also ask Local Governments to deal in their annual educational reports with the question whether the expenditure on education in individual Cantonments is commensurate with the needs of the Cantonment.

**USE OF THE MASJID IN THE CONNAUGHT LINES, POONA, BY THE RETIRED OFFICERS OF THE MULE CORPS RECENTLY STATIONED THERE.**

**79. Khan Bahadur Haji Wajihuddin :** (a) Will Government be pleased to state whether there is a Masjid and a temple built on the Connaught Lines, Poona, by the Indian officers and men of the Mule Corps which recently left the station ?

(b) How were these holy places built and who spent the money and when ?

(c) Is it the intention of Government to demolish these places of worship ?

(d) If not, will they continue to allow the Masjid to be used by the retired officers and men of the Mule Corps and other Muslims of the locality ?

**Mr. E. Burdon :** The information desired by the Honourable Member is being obtained and will be communicated to him as soon as possible.

#### TRANSFER OF THE ARMY HEADQUARTERS, POONA DISTRICT, FROM POONA TO SECUNDERABAD.

80. **Khan Bahadur Haji Wajihuddin :** (a) Will Government be pleased to state whether it is a fact that the Army Headquarters, Poona District, are being transferred from Poona to Secunderabad ?

(b) Have these Headquarters been stationed at Poona for over a century ?

(c) Have Government received any memorial from the inhabitants of the Poona Cantonment against such transfer ?

(d) What steps do Government intend taking to allay the feelings of these inhabitants ?

**Mr. E. Burdon :** (a) The attention of the Honourable Member is invited to the reply which I gave on the 8th March last to starred question No. 1052. The Government of India are at present considering proposals for certain reorganizations in the Southern Command. These proposals include the transfer of the District, and not the Command, headquarters from Poona to Secunderabad.

(b) There has been a District headquarters at Poona for a considerable number of years, but I am not prepared to say for how long or that there has been no break in continuity.

(c) Yes.

(d) I am not sure that feelings will require to be allayed, as the proposals, if accepted, will not involve an appreciable decrease in the number of military officers resident in Poona.

#### BERAR LAND REVENUE BILL.

81. **Mr. R. M. Deshmukh :** (a) Did the Central Provinces Government send the Berar Land Revenue Bill to the Government of India for their sanction, and if so, when ?

(b) Will the Government lay on the table the recommendations or report of the Local Government of the Central Provinces and Berar, along with it ? If not, why not ?

(c) Have the Government of India given their sanction thereto ?

(d) If not, will the Government give in detail the reasons why such delay is caused ? When do they propose to give their sanction ?

(e) Do the Government of India intend to send back the Bill, or any clauses thereof, for reconsideration, to the Central Provinces Government or to the Berar Legislative Committee? If so, will the Government give the points of their dissent, and the time within which they propose to send it back?

**Sir Denys Bray :** (a) The draft of the Berar Land Revenue Code, as passed by the Berar Legislative Committee, was sent up to the Government of India by the Central Provinces Government on the 16th December 1925 under rule 9 (1) of the Berar Legislation Rules.

(b) The Government of India regret their inability to comply with the Honourable Member's request as the Bill is still under consideration.

(c) No.

(d) The Bill requires careful consideration but every endeavour will be made to expedite a decision.

(e) The Government of India are unable to anticipate the outcome of the consideration which the Bill is receiving.

#### STATEMENT LAID ON THE TABLE.

**The Honourable Sir Charles Innes** (Commerce Member) : Sir, I lay on the table the Agreement between the United Kingdom and Portugal in regard to Tonnage Measurement of Merchant Ships, together with Notes exchanged, which affects India.

#### AGREEMENT BETWEEN THE UNITED KINGDOM AND PORTUGAL IN REGARD TO TONNAGE MEASUREMENT OF MERCHANT SHIPS, TOGETHER WITH NOTES EXCHANGED.

*London, May 20, 1926.*

His Britannic Majesty's Government and the Portuguese Government have agreed as follows :—

In view of the fact that the existing laws and regulations of Great Britain in regard to measurement of tonnage of merchant ships are in substantial agreement with those of Portugal, British ships furnished with certificates of registry and other national papers, duly issued by the competent British authorities shall be deemed by the Portuguese authorities to be of the tonnage denoted in the said documents and shall be exempted from being remeasured in any port or place within Portuguese territory or in localities under the control of Portugal, on condition that similar terms shall be accorded to Portuguese ships equipped with certificates of registry or other national papers duly issued by the competent Portuguese authorities on or after the 5th July, 1924, and that such ships shall be exempted from being remeasured in any place within His Britannic Majesty's Dominions or under His Britannic Majesty's protection or control.

Either of the contracting parties may, on giving to the other twelve months' notice to that effect, terminate this Agreement either as a whole or separately in respect of any of the following parts of His Britannic Majesty's Dominions, viz., the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State, Newfoundland, and His Majesty's Indian Empire.

In the event of the Agreement being terminated in respect of any such part of His Britannic Majesty's Dominions, the Agreement shall cease to apply to British ships registered therein.

In witness thereof the undersigned have signed the present Agreement and have affixed thereto their seals.

Done in duplicate at London, the 20th day of May, 1926.

(L. S.) AUSTEN CHAMBERLAIN.

(L. S.) NORTON DE MATTOS.

## No. 1.

*Sir Austen Chamberlain to the Portuguese Ambassador.**Foreign Office, May 20, 1926.*

Your Excellency,

WITH reference to the Agreement which is being signed this day on behalf of the British and Portuguese Governments in regard to the measurement of tonnage of merchant ships, I desire to place on record the fact that this Agreement is made with the consent of the self-governing Dominions and India.

2. I have the honour to add that it would be understood that the stipulations of the Agreement shall not be applicable to Irak unless notice shall have been given of the desire of the Irak Government that they shall be so applicable.

I have, etc.,

AUSTEN CHAMBERLAIN.

## No. 2.

*The Portuguese Ambassador to Sir Austen Chamberlain.**Portuguese Embassy, London,**May 20, 1926.*

SIR,

I HAVE the honour to acknowledge the receipt of your Excellency's note of to-day informing me of your desire to place on record the fact that the Agreement which is being signed this day on behalf of the Portuguese and British Governments in regard to the measurement of tonnage of merchant ships is made with the consent of the self-governing Dominions and India.

It would be understood that the stipulations of the Agreement shall not be applicable to Irak unless notice shall have been given of the desire of the Irak Government that they shall be so applicable.

I have, etc.,

NORTON DE MATTOZ.

# ELECTION OF SIR SIVASWAMY AIYER TO REPRESENT THE LEGISLATIVE ASSEMBLY ON THE COUNCIL OF THE INDIAN INSTITUTE OF SCIENCE, BANGALORE.

**Mr. President :** As there is only one candidate, Sir Sivaswamy Aiyer, for one seat to represent the Legislative Assembly on the Council of the Indian Institute of Science, Bangalore, I declare that Sir Sivaswamy Aiyer is duly elected.

## THE CURRENCY BILL.

**The Honourable Sir Basil Blackett** (Finance Member) : Sir, I rise to move that the Indian Currency Bill be taken into consideration.

This Bill is the first fruits of the Report of the Royal Commission on Indian Currency. At the outset it is my pleasant duty and my proud privilege to express on behalf of the Government and of the people of India our sincere thanks to the gentlemen who are the joint authors of this Report. Whatever may be our individual views as to details of their recommendations, Indians are a generous race and I am confident that they join with me in expressing heartfelt gratitude to Mr. Hilton Young and his nine colleagues who have to the best of their exceptional talents done India service on this Commission. I know that I shall be voicing the unanimous sentiments of India in conveying to these gentlemen our thanks for the immense labour, the unstinted expenditure of time and energy which they have brought to their task, and their unswerving determination to give of their best with single-hearted devotion to the interests of India. The Report which they have produced is,

[Sir Basil Blackett.]

I believe, the most important contribution to the problem of India's currency which has been made since the Herschell Committee reported in 1893. The report of the Herschell Committee marked the definite end of the monometallic silver standard in India, and the close of the last period during which India had a real currency standard worthy to be called a standard. It is an immense task for a nation of over 300 million souls to pass over the chasm which divides a silver from a gold standard. Since 1893 India has been endeavouring to cross that gulf. In 1893 the silver rupee was the sole legal tender in India and the sole standard of value. After 1893 it ceased to be the standard of value, but as was inevitable in a continent of the extent of India, thickly populated with citizens of every degree of civilization, a sudden break with the past was unthinkable, and the silver rupee, no longer the standard of value and in truth nothing more than an inconvertible note printed on silver, remained the sole or practically the sole legal tender. And it is the preponderance of the silver rupee in the circulation to-day which is still the main obstacle to a further advance. The history of the rupee since 1893 has been chequered and the period of transition to a new currency standard has been a long and at times a vexatious one. If to many of us progress has often seemed unduly slow and tedious, let us remember always what a gigantic effort was involved in accustoming the peoples of India to a revolutionary change. The fair prospects of the evolution from a silver to a gold standard were rudely checked by the war. The phenomenal rise in the gold value of silver resulted in 1917 and 1918 in a crisis. The authorities of that date—and who of us is entitled to say they were wrong?—rejected the logical but in the circumstances of March 1918 the highly dangerous opportunity which then offered of making the standard based on the over-valued silver rupee once and for all, what in essence it was, into a standard based on a currency inconvertible internally but convertible into international exchange values at a fixed ratio. The consequence was that for the moment the standard relapsed into the conditions of the period before 1893 and became for the time being once again a monometallic silver standard. When the war was over, there followed the premature attempt in 1920 to re-establish the rupee at a fixed ratio with gold at a time when, as we who are wise after the event can well realise, the hopeless effort was made to stabilise the rupee while India's finances were in disorder, with a war on her frontiers and a budget that was in deficit, and when the currencies of the world were in a state of chaos. That effort failed as it was bound to fail, and it is idle to deny that the result was inevitably to set back the clock of progress in currency matters in India. Nothing remained but to wait on events, and to postpone the task of fixing new moorings for the rupee until world conditions were sufficiently stable to offer a chance of success to any new effort at stabilisation.

May I be permitted at this point to interject a personal note? This was the condition in which I found the rupee when I landed in India at the beginning of 1923. The rupee had broken loose altogether from its moorings and was drifting in an uncharted sea. Neither the Government nor the country had or could have at that date any final policy as to the future of the rupee. The events of 1920 had created an atmosphere of exaggerated suspicion, yet it was obviously impossible, nor did any one venture to recommend it from any quarter, to attempt to restore stability until Indian finances were once again in order and some semblance of stable conditions had been re-established in the currencies of the world.

Further, the atmosphere of suspicion made it impossible to contemplate any decisive action being taken in Indian currency matters, except as the outcome of the deliberations of an authoritative enquiry. If Honourable Members will study my public utterances on currency questions since January 1923 they will find that I have never once attempted to defend either the pre-war currency system of India or the system (or rather absence of system) as I found it in 1923. My constant plea has been that the conditions as I found them could not be modified in a definitive way until world conditions offered us a prospect of real finality and until an authoritative Commission or Committee had deliberated and reported. Until then, there was no choice available but to make the best of what we had got, to begin by putting India's public finances in order, and to maintain such stability as was possible in rupee prices. I do not think that history will fail to attribute considerable credit to the management of Indian currency by the Government of India in the years from 1921 to 1926.

All this has been changed by the Report of the Currency Commission. We are now at last in a position to look ahead of us. And just as the Herschell Committee led after five or six years to the definite substitution of a sterling exchange standard, with a stable exchange, in place of the old monometallic silver standard with a violently fluctuating rupee, so I am convinced will the Hilton Young Commission lead us, in a period of not more than five years, onwards from the transitional exchange standard of the last 30 years to a real gold standard, with gold and not the silver rupee as our standard of value and the basis for our legal tender currency. It is tempting to dwell on the main recommendations of the Commission. They offer India the prospect of a real gold standard, with the currency and banking reserves of the country at last amalgamated under the control of a single authority independent of Government, in undisputed management of India's currency and credit policies and of the Indian money market. They offer India moreover the quickest practicable means of advance, if she so desires, to a gold currency. I do not entirely agree with the Commission's criticisms of the plan for a gold standard with a gold currency, put before the Commission by the Finance Department of the Government of India. It has been called the Blackett plan, and I do not want to disclaim a fair share of the credit for the plan, but in justice to other members of the Finance Department, and particularly to Mr. Denning, the Controller of the Currency, I feel bound to acknowledge publicly that they too deserve a big share of the credit due for the initiation and elaboration of the plan. But I must admit that the risks of the plan, particularly in its effect on the silver market, were formidable, and that I am convinced by the evidence given before the Commission, that in the absence particularly of American collaboration in carrying the plan through, the Commission were right in adopting a more cautious method of progression. The plan they have adopted is in fact not very dissimilar from the Finance Department's plan up to the end of stage one, but they stop short for the time being at that stage and leave it for the future to decide whether it will be desirable to attempt the further advance to a gold currency at some later date.

But I must get back to that part of the Commission's Report which is really germane to the Bill now before us. The Report is unanimous except for a Minute of Dissent by one member of the Commission, and although that Minute of Dissent is a long one, the Report is really unanimous, except on two points. One of these is a major point which reacts

[Sir Basil Blackett.]

on the whole of the rest of the Commission's proposals. I refer to the question of the nature of the Bank to which all agree that the control of the currency and of the reserve should be entrusted. After careful study of the document, I incline to the view that on this point the differences of opinion are not irreconcilable. But the question of the Bank is not under discussion to-day. The other point of difference is one which does not materially affect the main structure of the Commission's proposals, the question whether the gold value of the rupee should be fixed at the equivalent of 1s. 6d. gold or 1s. 4d. gold. This is therefore in the final analysis a minor matter, but it is nevertheless a matter which is of immediate and indeed of vital importance to the interests of India and unlike the question of the Bank it is a matter which is directly under consideration in the Bill before us. This Bill is, as I have said, the first fruits of the Report. It is of course a purely transitional measure, and is intended to have effect only during a short period of years. The big legislative measure which will ultimately result from the Commission's Report will be of vastly greater importance. But the time for considering that big measure has not yet come. We are concerned to-day only with those steps which the Commission recommends for the transitional period.

The major recommendations of the Commission involve details of far-reaching importance, as for example the question of the Reserve Bank, and the question of the convertibility of the notes issued by that Bank not into silver rupees but only into gold bullion, details on which it is neither possible nor desirable for the Government of India to express final conclusions to-day. These are matters which require intensive study by the Government and by the people of India before it would be proper for final conclusions to be formulated. This Bill is intended to be a transitional measure, but it points the way from the pre-war exchange standard to a new gold bullion standard on to which, if India so desires, a gold currency may eventually be grafted, so that the standard would then be a gold currency standard. The gold bullion standard, proposed by the Commission, offers India a currency system in no way inferior and in no essential feature different from the currency systems in force in the great countries of the West, in particular England and the United States of America.

With this preamble I am now ready to ask the House to turn to the specific features of the Bill under consideration. This Bill is introduced directly in accordance with the Commission's recommendations. It is not the final legislative outcome of their Report. I should myself feel some hesitation in advocating the acceptance of an unlimited statutory obligation to maintain exchange within the upper and lower gold points of any fixed ratio, and still more the acceptance of a gold bullion standard, unless I were assured that the control of currency and credit policy and of banking and currency reserves is to be united in one responsible authority other than Government.

And here let me make an appeal to the House and to the country. I am acutely conscious—how could I help it?—of the unhappy atmosphere of suspicion which has surrounded currency controversies in India. I have myself been the victim of this suspicion inherited from a previous period. I deplore it, though I do not think I misunderstand its origins or underrate the cases from which it has sprung. I can only say that since

I arrived in India I have striven to my utmost in the advice I have tendered to the Government of India to serve the financial interests of India, and of India alone, to the best of my ability and in the ways which my conscience and judgment have led me to regard as most truly beneficial to India as a whole. I am not conscious of having been guided at any time in any policy I have advocated by any motive other than the desire to serve India. (Applause). The Government of India are perfectly prepared for criticism on the ground that some other line of policy would have been or would be preferable, and ready and anxious at all times to defend and explain the point of view we have adopted, and fully prepared to admit that our critics or opponents are equally sincere in advocating some different policy. All I ask is that the honesty of our intentions, as shown in the policies adopted by the Government, should be accepted by the other side. We are now at the beginning of the discussions of the action to be taken on the Report of a Commission on Currency which I regard as epoch-making. Many obstacles, great and small, will emerge in our path towards our goal of a new and better currency system for India. Let us not conceal our differences, nor hide our divergencies of view-point, in order that we may the more readily and swiftly arrive at those conclusions which will be best for India. But I do earnestly beg for friendly collaboration, untarnished by unworthy suspicions or bitter accusations. If we can but believe in mutual good faith where we honestly differ, we are half way to agreement. The question whether the ratio of the rupee should be 1s. 4d. or 1s. 6d. is a particular point on which irreconcilable differences seem to exist in connection with this Bill. Let us fight the matter out, if we must fight, with whole-hearted pugnacity, but do let us avoid hitting below the belt on either side. (Applause.) Both sides, I am prepared to admit, believe their view to be based on the true interests of India as a whole. I repudiate as utterly baseless the suggestion that 1s. 4d. is an Indian view and 1s. 6d. a non-Indian view. Let us accept this as our starting point and not prejudice the issue by accusations of partiality or of disloyalty to India. This stage is only the beginning. If India is to secure the immense benefits which I believe are derivable from this Report, if the unique opportunity which this Report offers for the crossing of the Rubicon from an exchange standard to a gold standard is not to be let slip, our united efforts are essential. If we dissipate them now in dealing with this initial question of the ratio, our discord may result in the prize being snatched from our grasp.

This Bill is an interim one only. Nevertheless, the provisions of this Bill, when passed into law, will mean a great step forward for India in the matter of currency standard. As pointed out by the Commission in the first paragraphs of their Report, the currency system which was in operation from 1900 until the outbreak of the war, though described as a gold exchange standard system, was not in fact at the most more than a sterling exchange standard. If I may quote the words of the Commission (paragraph 4) :

“ The standard thus evolved was commonly known as a gold exchange standard, although in truth, in so far as it amounted to a definite standard at all, it was a standard of sterling exchange.”

Since under the stress of the war and of the rise in the price of silver, the rupee broke loose from its moorings and the effort of 1920 to re-establish the standard on the basis of a rupee at 2s. gold broke down, India



[Sir Basil Blackett.]

has in fact had no currency standard at all. I quote the Report again (paragraph 11) :

“ The stability of the gold value of the rupee is thus based upon nothing more substantial than a policy of the Government and at present that policy can be found defined under no notification or undertaking by the Government. It has to be implied from the acts of the Government in relating to the currency and those acts are subject to no statutory regulation or control.”

Many of the criticisms made by the Commission will be found in my own evidence before that body. Such is the system which has been in force during the whole of my period as Finance Member, and it could not have been otherwise until we were in a position to fasten the rupee once more to its moorings by statutory enactment. It was generally agreed that the fixing of a new ratio must be preceded by an authoritative enquiry, and the present is therefore the earliest opportunity that has arisen for fixation. But this Bill does more than simply fix new moorings at which the rupee may safely be anchored. It proposes to impose for the first time on the currency authority a statutory obligation to maintain the rupee within those moorings—a statutory obligation the absence of which from the old system is a feature which has been severely commented on by the Commission. The most important provisions of this Bill, therefore, are those which propose to place a statutory obligation on the Government of India so long as it remains the currency authority, to buy gold at the fixed parity of the rupee and to sell gold or gold exchange at their option at the upper and lower gold points corresponding to that fixed parity. These provisions automatically give India what she never had before, namely, a standard securely linked to gold by statutory enactment. It will no more be possible for the currency authority to allow the rate of exchange to vary above or below the gold points mentioned, or in other words, it will no longer be within the power of the currency authority to let exchange stray away from the fixed rate without coming within the mischief of statutory provisions of an Act of the Indian Legislature. In the system as it existed before the war the provision requiring the Government to give currency for gold operated to prevent exchange rising above the fixed rate, but there was no statutory obligation of any kind on the Government to prevent the rupee falling below the fixed rate, and it was entirely at the option of the Government of India and the Secretary of State whether or not they took steps, as for example, by the sale of what were known as Reverse Councils, to prevent the rate falling. Under the new arrangement, once the Bill is passed into law, this will no longer be possible. India will have definitely advanced on to a statutory currency standard, for the first time since the closing of the mints to silver in 1893. The Commission lay great stress on this part of their recommendations in paragraph 166 of the Report where they say that :

“ We desire expressly to emphasise that this recommendation as to the transition period is of the essence of our proposals. The Government of India should at once publicly announce its acceptance of the obligation as defined and should fulfil it without variation during the period of transition. We are of opinion that this obligation should be embodied in statutory form.”

It is in pursuance of this recommendation—a recommendation for immediate action—that the Government of India now come before the Legislature with a Bill which will embody in statutory form the public announcement already made by the Government of India of its acceptance of the obligation.

The statutory enforcement of this obligation is then the first and main purpose of this Bill, but it is obvious that the Government cannot undertake a statutory obligation to buy gold and to sell gold or gold exchange at the gold points of the accepted gold parity of the rupee unless there is an accepted gold parity fixed by Statute. It is true that there is a Statute at present in existence fixing the gold parity of the rupee at 2s., but that rate has never been operative and, as stated by the Currency Commission, the Government of India have long since publicly abandoned any attempt to restore the 2s. rate. It is therefore necessary to fix the rupee at some new rate, and the rate chosen is 8.47512 grains of gold per rupee, which corresponds to an exchange rate of 1s. 6d. gold. This is the rate recommended by the Royal Commission, subject to a Minute of Dissent by one member. The Government of India agree with the Commission's recommendation. The arguments for and against are fully set out in the Report of the Commission, and the arguments against are supplemented in the Minute of Dissent. I do not propose at this stage to enter into arguments in support of the particular rate adopted in the Bill. Such discussion will come much more conveniently when we are considering the Bill clause by clause. The principle of the Bill, so far as the fixation of the rate of the rupee is concerned, is not dependent on the question what that rate should be. The principle of the Bill is that the time has come when a stable and effective rate should be fixed for the rupee in place of the ineffective rate of 2s. now on the Statute-book. In short, the principle of the Bill is that the time has come to stabilise exchange by Statute. It is true that there are still some people who are afraid of stabilising the exchange. They have seen the enormous fluctuations to which the exchanges of the world have been exposed in the last 10 years, the widespread economic confusion of the war and post-war period and the immense fluctuations in prices, and they are alarmed lest by once more anchoring the rupee India may be exposed to perils owing to economic disturbances in other countries. The Commission have examined this point in paragraphs 168 to 173 of their Report and have come definitely to the conclusion that :

“ There is not in our opinion any event in the foreseeable future which would be likely to make conditions more favourable for the purpose of stabilisation than they are at present and the outcome of which ought therefore to be awaited, and we are in consequence of opinion that stabilisation should be effected forthwith.”

In paragraph 171 they say :

“ A stable exchange is an inestimable boon and it should not be sacrificed or postponed for the sake of a security that is so absolute as to be unobtainable in the practical world.”

I do not think many people will question the wisdom of this conclusion. The cry all over India is for stability and the sooner we finally fix the rate of exchange of the rupee the better chance is there for improved economic conditions all over India, for agriculture, for industry, for commerce. The substitution of certainty for uncertainty will be welcomed by everyone and cannot fail to bring economic and social benefit to the country as a whole. Instability inevitably brings undeserved losses upon the people of a country and it is only the speculator and the profiteer who can gain thereby, at the expense of both the producer and the consumer. As I have already said, I do not propose to pursue the question of the rate further at this stage and argue the reasons for preferring 1s. 6d. to any other rate. The only point which I make is that stability of the rupee ensured by Statute is desirable and desirable at once.

[Sir Basil Blackett.]

I have now dealt with the two points of principle which arise on this Bill and on which Honourable Members will be called upon to vote when the question is put that the Bill be taken into consideration. The first point is that the rate of exchange for the rupee should be fixed by Statute and its maintenance at that fixed rate ensured by the imposition of a statutory obligation on the currency authority to maintain it within the gold points, and that it should no longer be at the option of the currency authority, as it was in the past, to let it fall below the lower gold point. The second point is that the time has come for fixing, in place of the present ineffective rate of 2s. contained in the Statute passed in 1920, a new rate which will be at once statutory and effective. Everything else in this Bill is subsidiary and will be better dealt with when we come to the clauses.

It may, however, be useful if I explain the clauses very shortly at this stage. They are obviously very technical in form, but they are really very simple in substance. Under the Indian Paper Currency Act, 1923, the rupee is valued at 11.30016 grains of gold, which corresponds to a rate of exchange of 2s. for the rupee. This figure is altered by clauses 2 and 3 of the Bill to 8.47512 grains of gold per rupee, that is, the amount of gold corresponding to an exchange rate of 1s. 6d. In the second place, under the Indian Coinage Act, 1906, and the Indian Paper Currency Act, 1923, the sovereign and the half-sovereign are legal tender at the rate of Rs. 10 for one sovereign. The Bill now before us proposes in clauses 2 and 3 to take away the legal tender character of the sovereign and half-sovereign in India altogether. It may be asked why do you take away the legal tender character, why not simply make the sovereign legal tender at the rate of Rs. 13-3 per sovereign instead of Rs. 10 at present? The answer to this question is contained in paragraphs 65 and 66 of the Report of the Commission. The obligation to sell gold bars for all purposes which is the essential feature of the gold bullion standard which they recommend, makes it impossible to have any gold coin as legal tender without risking the stability of the new system which they recommend. In order to stabilise the rupee at the new ratio it is necessary to alter all those sections in the existing Acts which fix the ratio at 2s. It is clearly impossible, therefore, to leave these sections as they stand. You cannot at the same time lay down by Statute that the rupee shall be legal tender at 8.47512 grains of gold per rupee and leave in the Statute-book a section which says that the sovereign shall be legal tender in India at a rate based on the equivalent of 11.30016 grains of gold per rupee. The existing sections obviously cannot be left as they stand. The recommendation of the Commission is that the sovereign and the half-sovereign should be demonetised in order to enable the new gold bullion standard which they recommend to be brought into force. It would therefore be clearly contrary to the recommendations of the Commission if in the legislation now before us we were to make the sovereign and the half-sovereign legal tender at a new rate. I observe that in the Minute of Dissent, paragraph 53, Sir Purshotamdas Thakurdas states that he is unable to appreciate the necessity for the demonetisation of the sovereign, but he goes on to say that as nine of his colleagues are convinced of the necessity as essential to the establishment of the gold bullion standard, he is prepared to view with diffidence his inability to see eye to eye with them and does not press his objections beyond recording his own opinion. When we come to the clauses I hope that I shall be able to satisfy him and the House that the recommendation is a necessary one.

For the present I content myself with showing that it was necessary to include in this Bill provisions withdrawing the present statutory valuation of the sovereign as the equivalent of Rs. 10 and that these provisions are an essential part of the action required in order to establish a new ratio for the rupee. In voting that the Bill be taken into consideration the House will not be prejudging their action on the clauses in any way. I have now explained clauses 2 and 3 of the Bill. It is in these clauses that provision is made for fixing a new ratio for the rupee.

Clauses 4 and 5 provide for the imposition of a statutory obligation on the currency authority to maintain the rupee at the new ratio by buying gold at the fixed rate corresponding to the new ratio, and by selling gold or gold exchange at their option to anybody who demands it in amounts of not less than 400 oz. fine in the case of gold or the equivalent in case of gold exchange, thereby ensuring that exchange will not fall below the lower gold point. Here again the provisions are of a very technical character and it will be best to leave their detailed examination till we come to take those clauses into consideration. There is nothing else in the Bill except one small point where, as explained in the Statement of Objects and Reasons, the opportunity has been taken to mend a very minor hole in the Currency Acts. I need not dwell on that now.

In order to avoid unnecessary duplication of debate, I have purposely refrained in moving the second reading from arguing the case for the particular ratio of 1s. 6d. which this Bill proposes to fix. That question is not, I think, strictly relevant to the debate on the second reading, since the principle of the Bill is not that the ratio should be fixed at any particular figure but that the time has come for fixing it. There is, however, one criticism which I have heard in various quarters on which I must say a word or two, and in connection with which the question of the exact ratio is important. The Government have been accused of precipitancy in bringing this Bill before the Legislature this Session so soon after the issue of the Report. As against this I am glad to be able to record that it has been recognised in quarters which are not usually on the side of the Government, that the Government are to be congratulated on giving the Assembly the earliest possible opportunity of considering the question. It is I think a sufficient answer to those who accuse us of precipitancy to ask them what they would have said of us if we had refrained from bringing this Bill forward now and had waited till the next Delhi Session. We have been unjustly accused in the Minute of Dissent of deliberately presenting the Commission and India with a *fait accompli*. I am fully prepared to defend the Government against this accusation when we come to the clauses in which the fixing of the ratio of 1s. 6d. is embodied. Members will, if they care to do so, find the full explanation of how the *de facto* rate came into being in my evidence before the Commission. I do not deal further with that point here. My object is to explain how impossible it was for us not to bring this Bill forward now in this Session. Even the author of the Minute of Dissent admits categorically, in unanimity with the Commission as a whole (paragraph 177) that if prices in India have to a preponderating degree adjusted themselves to the 1s. 6d. ratio, that rate must be adhered to. I do not myself think that there is any valid argument to-day in favour of any other ratio, but the author of the Minute of Dissent maintains that prices have not yet adjusted themselves to 1s. 6d. and that therefore it is not too late to adopt his pet figure of 1s. 4d. Now it was clearly incumbent on the Government as soon as the Report issued to

[Sir Basil Blackett.]

prevent wild fluctuations and unhealthy speculation in exchange by announcing what their view was in regard to the ratio and their intention of maintaining the rupee at that ratio in the interval between publication and the carrying of legislation. What would have been said of us if we had deliberately ignored, flouted, insulted the Legislature? I can hear the torrent of accusation gathering force and rolling forth in the House and in the Press if we had quietly expressed our intention to maintain the ratio of 1s. 6d. without asking for any expression of opinion from the Legislature from August to February. It was clearly unthinkable that we should do otherwise than we have done. We were bound to bring the matter before the Legislature at once as we are now doing. Further, the Bill we are promoting is promoted in direct accordance with the very strong recommendation of the Commission that we should take interim action on these lines forthwith. Finally, is it not obviously in the interests of India that the market should not remain in uncertainty a moment longer than necessary, that the busy season ahead of us should not be hampered by hesitations and doubts and an instability that was no longer unavoidable? Whatever may be said of the particular manner in which the Bill proposes to settle the question, it is an injustice to the Government to accuse them of acting in a precipitate manner, contrary to Indian interests and in violation of public wishes. I recognise that the time available since the issue of the Report has not been as long as many Honourable Members would have desired. The Government themselves would have found it more convenient to have had greater leisure for framing their decisions and considering their procedure. They would have been glad to give time for the merits of this excellent Report to win it the universal support it deserves and will surely earn as time goes on. They would have been glad to have been able to come before the Legislature with a complete statement of their views on the Commission's recommendations as a whole and thus to have avoided the accusation of piecemeal legislation. We have done what we could to minimise the inconvenience for the public and for Members of the Legislature by arranging for the Bill to be printed in the Gazette on the 7th August. The text of the Bill has thereby been made available for consideration nearly a fortnight earlier than would otherwise have been the case, but if some little inconvenience has been unavoidable, it is due to circumstances which were entirely beyond the control of the Government. Once the Report was issued, no option remained for the Government but to announce that, pending consultation with the Legislature, they would maintain the ratio at 1s. 6d., and once they had made this announcement, it was essential that the interval before consultation took place should be as short as could reasonably be arranged. It is true that with a good monsoon exchange is now shewing strength and that during the next six months any action by the Government to maintain exchange is likely to take the form of action to prevent its rising above 1s. 6½d. as in 1924 and 1925, and that a fall is unlikely so that no question of the sale of sterling is expected to arise during that period. But we cannot leave the market indefinitely with the threat hanging over it that suddenly the ratio may be altered overnight from 1s. 6d. to 1s. 4d. as the result of a vote in the Assembly. This is a very serious threat for all those who have business transactions dependent on the rate of exchange. It is not a gentle and imperceptible change from 1s. 6d. to 1s. 4d. which has to be envisaged, but a sudden and catastrophic fall. Clearly the Government had no option but to bring the subject at once before the Legislature

and offer them the opportunity of considering it without delay, if they so desired.

Some of the amendments to this motion which appear on the order paper involve postponement of the Bill till another Session. I need not at this stage anticipate what the Government attitude will be to those amendments, beyond saying that the Government fully recognise the strength of the desire in various quarters of the House to secure ample time for a considered judgment.

I revert then to the main question. Three questions are before us for decision at this stage. Do the House think that the time has come to stabilise the rupee at a ratio which will at once be statutory and effective ; do they wish to impose a statutory obligation, never before imposed, on the currency authority to maintain the ratio thus fixed in all circumstances ; and do they wish immediate legislative action to be taken in advance of the consideration of the other recommendations in the Report ? It is the unanimous recommendation of the Currency Commission that these steps should be taken. I commend the Bill to the House.

**Diwan Bahadur T. Rangachariar** (Madras City : Non-Muham-

3 P.M.

madan Urban) : Sir, it is with great diffidence that I rise to speak on the motion which has just been made by my Honourable friend, Sir Basil Blackett. Let me begin by moving the motion which stands in my name, that the Bill be circulated for the purpose of eliciting opinions thereon. I am perfectly alive to the urgency of the measure now before this House ; and notwithstanding that knowledge I feel we will be failing in our duty if we proceed to a full and detailed consideration of this important measure at this stage. Before I proceed to detail the reasons which influence me in making this motion, let me in the first place join the Honourable the Finance Member in paying a tribute of praise and congratulation to the Members of this Commission. They began their work unfortunately in an atmosphere of prejudice, and, having regard to the very abstruse nature of the subject and the difficulties surrounding it, we cannot but admire the able and lucid Report which they have presented to us. I for my part am prepared to give them full credit for their honesty of purpose, and I am also quite prepared to believe that in making the recommendations they have made they are endeavouring their best to serve the interests of India primarily. At the same time I must also say a word as regards the Finance Department of the Government of India. Having read the materials which they placed before the Commission, I am struck with the ability which they have displayed and the impartiality which they have shown in placing all the materials before the Commission.

This country, Sir, has long been hankering after a gold currency, and notwithstanding perhaps the adverse attitude which persons at home may take to such a proposal the Government of India, with their eye solely on the interests of India, have had the courage to put forward that proposal before the Commission, and they have not hesitated to support it with arguments in great detail. Sir, I am sure we must acknowledge the great ability which the Honourable the Finance Member has shown during the last four years of his career in India. He has pulled up the credit of this country. The financial credit of this country is something unprecedented, when once we remember the great struggle we had with our financial questions. The great success which has attended his efforts

[Diwan Bahadur T. Rangachariar.]

in raising loans at such cheap rates of interest is a marked testimony to his capacity and ability. Sir, we all have our biases, intellectual or otherwise; and I am sure the Honourable the Finance Member is not free from that bias which is a human weakness. I am myself alive to the bias which I have in this matter which affects my country so deeply. If I were to be influenced by my own self-interest I should jump at once at the Report of my Honourable friend, Sir Purshotamdas Thakurdas, for his proposal would benefit me individually, since I am a producer and I produce more than enough for me and I sell a lot, and, therefore, high prices are bound to benefit me personally. But at the same time, Sir, we have to look to the interests of the country at large, and that is a question which is beset with considerable difficulties. I must confess—I do not know how other Honourable Members are situated in this matter—that I am at sea when I read this Report. I have read it twice; I have read it thrice. (*An Honourable Member* : “ Read it again ”.) My Honourable friend says “ Read it again ”, and that is the very reason why I have come forward with this proposal that the subject should be considered in an atmosphere free from the heat of the moment and in a calm and cool manner. Sir, the time for considering this Report has been rather unfortunate. Immediately on the publication of this Report an atmosphere of prejudice has been worked up to fever heat. That is hardly the way in which you can deal with such an important subject like this. We have had warnings as to how we can make mistakes in a matter like this. Although the Legislature was not to blame on that occasion, still the Government were to blame in having rushed to take action on the Report of the 1919 Committee in the way they did and having brought all that loss to this country. But it is hardly necessary to refer to it in detail. Once bit twice shy. Therefore, however great the eminent men who have sat on this Commission may be, as we, the Legislature, are asked to impose a statutory obligation on the Executive Government of this country to maintain a particular ratio, it is our duty as the representatives of the people to give our best judgment upon this matter. I do claim, Sir, that we have not had that opportunity to consider the voluminous materials which this Committee have gathered in the investigations that they have made. I can say only that I have read or rather glanced through the evidence of at the most half a dozen witnesses. I must say I read Sir Basil Blackett’s evidence before the Commission. I also read Professor Jevons’ evidence and the evidence of a few other witnesses; but we have hardly had time to go through the mass of evidence contained in the four volumes of oral evidence and the appendices. They throw great light on the question—perhaps it would be very difficult to rise from a perusal of them with any accurate information—and probably we may be worse off after having read them and perhaps our instinctive preference may lead us to right conclusions; but that is hardly the right way to do it. We must try our best. I have in my professional capacity handled engineering problems and medical problems; but, Sir, currency and exchange problems are beyond me; and I think they are beyond almost every Honourable Member of this House. It does not matter in ordinary matters, but when experts make mistakes on currency and exchange, I am afraid the millions of this country are bound to suffer. So we are bound to proceed with caution in a matter like this. There are many hidden avenues in this problem; we have got hidden taxation concealed somewhere; we have got hidden

protection concealed somewhere ; we have got hidden bounties concealed somewhere. It is very difficult to take the straight path. We are bound to tread upon the toes of our neighbours if we make a careless movement one way or the other. You have the producer on the one side and you have the consumer on the other ; you have the creditor on the one side and you have the debtor on the other ; you have the employer and capitalist on one side and the wage-earner on the other. And above all, Sir, we have the taxpayer to take into consideration. How the decision one way or the other will affect these various peoples and factors is a matter of which we can honestly say that we cannot precipitately come to a proper and sound conclusion.

Sir, the Honourable the Finance Member has told us that there are only two principles which underlie this Bill or rather he has led us to infer that the particular ratio which you may have to fix is not so important as the principles which underlie the Bill, namely, is this the time for stabilising the rupee and is the Legislature prepared to impose a statutory obligation on the Government ? I quite admit they are the principles underlying the Bill. But how are we to come to a decision on that point unless we are also prepared to say what that ratio is ? Is it enough to say : " Yes, the time has come ; yes, the statutory obligation may be imposed ? " But what is that obligation which is going to be imposed ? That is the most material point from my point of view in any proposals on the subject. What is the good of merely stating the general proposition without our being in a position to say what that ratio should be ? Sir, I have implicit faith in Sir Basil Blackett. But I am also aware that many of my countrymen feel differently in the matter. They think that 1s. 4d. is the proper ratio to fix in the interests of the country. Sir Basil Blackett thinks that 1s. 6d. is the proper ratio to be fixed. And how are we to decide the question ? We have to decide. We cannot accept their word without applying our own judgment. If it were open to me to take a back-bencher's place, either on the Government side or the Swarajist side, I would perhaps be relieved from that unpleasant duty which I have imposed upon myself. I would follow my leader implicitly just as the Government back-benchers follow Sir Basil Blackett implicitly. Unfortunately, I have to come to a conclusion myself and it is in attempting that that I find the difficulties which face me. Sir, I think we can all agree with that unanimous verdict of the Commission when they say that we all unanimously hold the view (and I think it is a proposition which it would be difficult to controvert) that, if it can be shown that prices have to a preponderating degree adjusted themselves to the existing *de facto* rate, then that rate must be adhered to. I do not think, Sir, although I have seen criticisms of that statement from the Calcutta Chamber, that they do not accept that proposition. I do not see how we can escape from that proposition. The question is : has that *de facto* rate been established ; has it been established naturally or has it been maintained by artificial means ? These are the questions which we have to ask ourselves. How are we to satisfy ourselves in this matter ? The Commission is satisfied, or rather the majority of the Commission are satisfied that that rate is the *de facto* rate and that there is not much artificiality about it. I think I am doing justice to them in stating their conclusion in that manner, that there is not very much artificiality in bringing about that rate and that it is the *de facto* rate. But, Sir, that is a matter on which perhaps people interested in the daily commerce of this country, in the daily trade of this country perhaps should be given an opportunity of either endorsing



[Diwan Bahadur T. Rangachariar.]

that opinion of the Commission or of differing from it. I am sure the many Chambers of Commerce, both Indian and European, would like to have an opportunity to pit their experience in the matter and see whether really the *de facto* rate has been established. I have seen criticisms—I do not vouch for their correctness—that the internal prices have to be taken into account in considering this question, and the internal retail prices have not been taken into account by the Commission in coming to a conclusion on that point. Whether that conclusion is right and just is a matter which can only be examined—or rather we can come to a judgment on that criticism only if we have given an opportunity to the merchants and traders of this country to consider the Report carefully and give their verdict in this matter. And again, Sir, for instance, on the question of wages for labour the Commission are not very definite, whereas on the question of adjustment of prices the Commission have come perhaps to a satisfactory conclusion. On the question of the adjustment of wages of labourers they give only a negative verdict. It is not a positive verdict. I do not know whether it is a professional method of giving a verdict on a matter like that. All that they say in paragraph 193 is :

“ On the whole, we see no reason to believe that there is any general mal-adjustment of agricultural wages.”

Well, that is not a very satisfactory conclusion for us to go upon, to say we shall accept it and accept the fixed ratio at 1s. 6d., as they recommend, because it is all-important. Agriculture is the backbone of this country. Nearly 70 per cent. of the population depend upon it and if really it is going to have an adverse effect on this class and if they have not adjusted themselves to this *de facto* rate, then I think it is time that we should consider that question very carefully. And so, similarly, there are many points I dare say which persons better acquainted with the subject will be able to fix their attention upon and give us the benefit of their advice. I do not at all blame the Government, Sir, for bringing forward this measure. On the other hand, I quite agree it was their duty to bring up this Bill to this House before it is dissolved. It has elicited public attention, it has rivetted public attention on this important Report of this Commission. You have aroused public attention. You have aroused intelligent criticism on this subject and, having regard to the action which it is still open to Government to take to maintain the ratio, not to allow it to go up beyond a certain stage or to go down beyond a certain stage, that power is still there, it is not in any way curtailed ; no great harm will be done by our not passing this measure at once. There will be no violent fluctuations because, still the Government have got the executive power which they propose to exercise and which by this motion we allow that they exercise, for otherwise fluctuations may take place. But there is this note of warning which perhaps as a layman and as a man in the street I may venture to give. I venture to give the advice on the authority of Sir Stanley Reed, whose evidence before the Commission I read with great care. He rather deplores the fact that the Government took the action it did in April of this year in offering to sell Reverse Council Bills when there was a downward tendency. He wished that, if really there was a real downward tendency, it should have been allowed to play its part and this artificial method of keeping it up should not have been adopted, for really you cannot come to a satisfactory conclusion as to

what is a *de facto* rate if really artificial means were resorted to during the time the Commission was sitting. Well, I think there is a great deal of force in that criticism. Although the Commission seem to ignore that criticism, I rather think, Sir, it was a pity the Government did it. The *de facto* rate would have been satisfactorily established if really that action had not been taken. I am sure the Honourable the Finance Member was right when in 1924 he anticipated that the ratio is not going to be 1s. 4d. but going to be 1s. 6d. I agree with him perhaps in his estimate of the probabilities of the case, because events seemed to tend in that direction. But can he say distinctly that the events have tended in that direction? Unless we are satisfied about that point—I daresay the Honourable the Finance Member is satisfied about it—having regard to the great divergence of opinion on a matter like that, would any great harm be done by our delaying the consideration of this measure till the next Session? By then I am sure prices also will give ample proof that they have adjusted themselves to this 1s. 6d. ratio. It will therefore be additional evidence in favour of the Commission's recommendation. We will gain some experience. Notwithstanding the uncertainty created by the introduction of this Bill and other things, if the market shows that tendency, and if, in the meanwhile, prices also show that tendency, that will be additional evidence in support of the Commission's recommendation. Therefore, Sir, I think that this is a matter in which some time should be given to us to consider this question. Let us have time to peruse this valuable Report and study it and understand it. Although some of us may not be here, I am sure most of us who are present here will be returned to the next Session. I myself do not expect to be here, (*Voices* : " Oh ! ") but that is another question. At the same time, Sir, I think the country expects its representatives to study this most important question in all its details because it is a matter of great importance. This is the first time, as the Honourable the Finance Member has told us, that a statutory obligation is to be imposed upon the Executive Government of creating a particular ratio. If they do it of their own accord we do not mind it, because they are well-informed. If Sir Basil Blackett comes to the conclusion that this is the right solution to adopt, he is best fitted to do it. But so long as he asks us for our approval to this ratio, we must plead for more time to consider this question in order to give our deliberate verdict.

I have got one more reason in support of the position which I have taken up to-day, and that is this. In paragraph 167 the Commission point out :

" We desire to emphasise that our recommendations in the preceding sections of this Report should be regarded as a comprehensive whole and that modifications of any of their integral parts involve the danger of destroying their balance and preventing the efficient and smooth working of the whole."

The above sections include 166 on which action is proposed to be taken by this Bill. Now, what is the effect of this Bill? As the Honourable the Finance Member has pointed out, he has taken hold of perhaps the least important portion of the recommendations of the Commission for legislative action. He is right in doing that. But at the same time would it not be better that the whole thing should be considered together? What we have now is the gold exchange standard. With the gold exchange standard the Honourable the Finance Member asks the Legislature to impose the legal obligation upon the Government of

[Diwan Bahadur T. Rangachariar.]

maintaining a particular ratio, whereas the recommendation of the Commission is that that statutory obligation should be imposed with a gold bullion standard. I see nowhere—I am subject to correction—any recommendation that this piece-meal action should be taken in the first instance before the Government have come to a decision on the two other main recommendations of theirs, namely, the transference of the authority of the Executive Government to a Central Bank controlling exchange and currency and secondly a gold bullion standard. The Honourable the Finance Member described this as a transitory measure. Transitory to what? Have you decided upon where you are going in order to make this transit? You have left that undecided. You still maintain the gold exchange standard. The Government say that they have had no time to consider that important recommendation. They recognise in their press communiqué that the Government and the public should have time to consider these two important recommendations. That being so, how can you consider this transitory measure before you decide where you are going to (Hear, hear), where you are transiting to? Let us know it. I do consider, Sir, that this recommendation of the Royal Commission, which has been taken out of its place in this Bill, is part of the main recommendation on these two items. It is transitory to those two recommendations, namely, a Bank which will control currency and exchange and secondly the gold bullion standard. Let us first of all determine upon that before we impose this transitory measure. In the meanwhile, by all means let the Executive Government go on exercising their executive power in the way they have done. They have done it wisely. We have no reason to grumble. We have no reason to quarrel with the way in which the Finance Department have handled our currency and exchange in the last few years. (*Mr. T. C. Goswami* : “Question”.) However much you may question, I have nothing but admiration for the way in which the Finance Department have handled the exchange and currency of this country during the last four years. I know where I was in 1921. I know where I was in 1922 when we had to deal with the Budget. (*Mr. Jamnadas M. Mehta* : “Where are you now?”) I know where I am now. (Laughter.) I do think, Sir, that the thanks of the country are due to the Finance Department. Nobody can deny that. Any one who has followed the financial crises of this country cannot but be struck with the ability with which the finances have been handled, but that is another question. However much I may give credit to my Honourable friend Sir Basil Blackett, I am not prepared to place implicit faith in his judgment in a matter of this sort. (Hear, hear). For, as I said already, he is also liable to bias. There is likely to be bias because every non-Indian in this country benefits by 1s. 6d. When he remits his surplus, his savings, he benefits thereby. 1s. 6d. is a profit to him.

**The Honourable Sir Basil Blackett** : No.

**Diwan Bahadur T. Rangachariar** : Every non-Indian manufacturer benefits thereby. It is a profit to him.

**The Honourable Sir Basil Blackett** : No.

**Diwan Bahadur T. Rangachariar** : My Honourable friend may deny it; but that is my impression—my conviction rather. I

have a bias in favour of my own country. So, my Honourable friend Sir Basil Blackett must have a patriotic bias in favour of his own country. But I do not say that I flout his judgment. I want to examine that judgment for myself. I want opportunities for considering that judgment. I want the country to have an opportunity of considering that judgment. So, Sir, I move this motion :

“ That the Bill be circulated for the purpose of eliciting opinions thereon.”

**The Honourable Sir Alexander Muddiman** (Home Member) : Sir, if I intervene rather prematurely in this debate it is with the object, if possible, of saving the time of the House by indicating very briefly the view which the Government take of the motion so ably made by my Honourable friend. Before I proceed to say anything further, let me remark that from the speech he has just delivered there arises some doubt as to the necessity of the motion because he appears to have studied the Report with considerable skill, if I may say so. The position, as was stated by the Honourable the Finance Member, is that it was the obvious and imperative duty of the Government to bring this measure in for the reasons that he gave the House, and I understand that my Honourable friend (Diwan Bahadur T. Rangachariar) also takes that view. His case in a nutshell is very simple. His speech is really nothing more than a plea for time. He says he has not had time to read this valuable Report and the connected documents and that other Honourable Members also have not had time. He desires to study them even more fully than he has already done. I gather that my Honourable friend is rather rash by nature, for in the course of his speech he said, unless I misunderstood him, that at one time he engaged in medical practice. (Laughter.) Well, Sir, my Honourable friend might have told us what happened to his patients !

**Diwan Bahadur T. Rangachariar** : I said that I study and understand medical matters in order to cross-examine witnesses.

**The Honourable Sir Alexander Muddiman** : I beg my Honourable friend's pardon. But it at any rate indicates that he is naturally inclined to be rash in his actions, and, therefore, the fact that he feels that this is a subject which must be approached with great deliberation must weigh very much with me, knowing his natural tendency to take risks. The Government most certainly have no wish to thrust this Report down the throat of an unwilling House. They do not desire that Members should be deprived of an opportunity of discussing a document which I think my Honourable friend rightly designated as epoch-making—a document which will undoubtedly have the greatest influence on the future financial policy of this country for a long term of years. Without delaying the House further, I will say in a word that, if there is on the part of this House any general desire that the motion moved by my Honourable friend should be given effect to, the Government will not oppose it and indeed will support it.

**Mr. M. A. Jinnah** (Bombay City : Muhammadan Urban) : I congratulate the Government upon realizing the necessity of supporting the amendment of my Honourable friend for the circulation of this Bill for opinions. Sir, I cannot follow the various reasons which the Honourable Mover gave in support of his amendment. I think, having regard to his admiration for Sir Basil Blackett, he quickly followed his advice and showed wholehearted pugnacity. But I want to make the position clear as far as we are concerned. I am glad, as I said, that the Government have recognized the necessity of accepting and supporting this

[Mr. M. A. Jinnah.]

motion. Sir Basil Blackett, the Finance Member, said that the Government were bound to come to this House at the earliest opportunity. Instead of continuing the policy underlying the recommendations of the Royal Commission by administrative measures or executive measures, they thought that they would at the first opportunity come straight to this House and get the decision of this House. But at the same time he himself recognized and admitted that at this moment the Government of India are not prepared to announce their decision with regard to the entire recommendations of this Commission which in the words of the Commission are absolutely interdependent. They say :

“ In conclusion we desire to emphasise that our recommendations in the preceding sections of this report should be regarded as a comprehensive whole and that modifications, if any, of their integral parts involve the danger of destroying their balance and so preventing the efficiency and smooth working of the whole.”

Now, Sir Basil Blackett admitted, speaking on behalf of the Government of India, that he was not in a position to declare the policy of the Government beyond the Bill. On the contrary he said that he could not and had no authority to announce decisions on any other recommendations of the Commission except those embodied in the Bill which is now before the House. Naturally the question arises as to why the Government of India are not in a position to announce their decision. The answer is obvious, that the India Office and Whitehall have not yet made up their mind, and so the subordinate branch of the administration in India cannot possibly say anything more than what their masters permit, and hence this Bill, which is admittedly piecemeal legislation. Yet I am surprised to find that we are asked to give our decision on this particular point. Now, Sir, apart from the other question with which I am going to deal, is that fair to the Government of India or is it fair to this House ? Apart from the question whether this House decides upon 1s. 6d. or 1s. 4d., what is the attitude of the Government with regard to the other recommendations of this Royal Commission ? They themselves are not ready. Therefore it is obvious that this Bill cannot really be discussed under these circumstances. The other reasons I do not wish to repeat, but I must say that I do not agree with my Honourable friend the Mover that there is not a single Member on this side who is competent to speak regarding this question. I think we have got some Members who are capable of discussing this question, and capable of putting before us materials which will enable some of us, who are more or less in the position of laymen, to concentrate our minds on the questions, and we may also be able to come to a sound judgment if we patiently study this question and proper time is given. But we find that this Report was published on the 4th August, and, as regards the volumes of appendices and evidence, they were published a few days ago. I did not bring these volumes with me because I anticipated that this matter would probably be adjourned, but I can assure you there would not have been room in my rickshaw to carry them. They run to something like 2,000 pages. Well, do you expect the Members of this House within a few days to go through all those materials and form an intelligent judgment ? (Mr. K. Ahmed : “ Hear, hear ”.) Sir, when I put the question to Sir Basil Blackett the other day as to how long it would take an ordinary man to go through those papers, he replied that I could judge for myself when I had seen them. Well, Sir, our Finance Minister is a superman. I, as an ordinary man,

can assure him and this House that it will certainly take a very very long time, and I think that if the Honourable Members are ready to discuss it by January next I should congratulate this House. Therefore, Sir, I am very glad that the Government have accepted this motion and are prepared to support it ; and so there is an end of it.

**Sir P. S. Sivaswamy Aiyer** (Madras : Nominated Non-Official) : Sir, I wish to make a few remarks in support of the proposition which has been so ably moved by my friend Diwan Bahadur Rangachariar. Sir, I do not complain of the action of the Government in bringing forward this Bill at this time of the year. They no doubt have very good reasons for bringing it forward and I am not disposed to quarrel with them. But, on the other hand, I hope the Government also appreciate the position in which we are placed and the difficulty we are labouring under in arriving at a proper conclusion in regard to this intricate subject. The evidence upon which the Commission came to a conclusion extends to something like 1,500 printed foolscap pages, and it was placed on the table of the Library only a few days ago. Very few of us have had the time to go through this mass of evidence. There is a duty lying upon us all to go through the materials for ourselves and come to some sort of independent judgment upon the Bill which has been submitted to this House. So far as I am personally concerned, I have not been able to read these terrifying volumes of evidence, reports and documents.

Sir, there is one aspect of this Bill upon which I should like to make some remarks. The Honourable Sir Basil Blackett very rightly laid stress upon the importance of the provision in the Bill which imposes upon the Government the obligation to buy gold and to sell gold or gold exchange. That is one of the cardinal features of this Bill. But the provision does not really go far enough. The most important requirement now of the currency situation is to link the currency to gold in such a manner that it cannot possibly be manipulated in the way that it has been in the past. While clause 4 of the Bill authorises the Government to buy gold, clause 5 does not lay any obligation upon the Government to sell gold to any person who may demand it. The option is given to the Government of selling either gold or gold exchange at their own will and pleasure. Now what does that mean ? It means that the Government have the liberty to refuse to give gold, and it gives them the liberty to offer gold exchange. That is a position which is not fair. The present standard is a gold exchange standard, and we shall be in precisely the same position, if the Government are not bound to give us gold bullion at all, but are entitled to give gold bullion or gold exchange as they choose. That seems to me to be the cardinal defect of the Bill. I should like here to pay my tribute to the very able minute of Sir Purshotamdas Thakurdas. Though I may not agree in his conclusions, I cannot help admiring the great ability of that dissenting minute. If there is one thing which Sir Purshotamdas Thakurdas has succeeded in demonstrating, it is this, that the past record of the authorities in dealing with the currency problem has not been at all creditable. I do not intend to bring any charge against the Finance Department of the Government of India or the Government of India themselves. So far as their record goes, it shows that they have always endeavoured honestly and to the best of their ability to stand by the people of India, to represent their

[Sir P. S. Sivaswamy Aiyer.]

wishes in this matter, to fight for the principles which were laid down by the Fowler Committee as early as 1893, and to give this country that currency which the people desire. Sir Purshotamdas Thakurdas has succeeded in showing that various departures have been made from those recommendations, and that all these departures have been made at the instance of Whitehall. We may have abundant faith in the integrity, the sympathy and the good intentions of the Government of India, but are we prepared to say the same thing of the wire-pullers of Whitehall? Are we in a position to say.....

**Mr. President :** Order, order. These things are hardly relevant to the motion before the House.

**Sir P. S. Sivaswamy Aiyer :** Sir, I am referring to these matters for the purpose of showing that we cannot rest content with the position taken in the Bill, and that unless it is possible for the Government to give us a more satisfactory assurance on this subject, it will not be possible for us to give our approval to the Bill : and I desire that the opportunity which will be given by this dilatory motion will be utilised by the Government for the purpose of reconsidering the matter and giving us a satisfactory assurance on this question and committing themselves in the Statute to a declaration that they will be bound, at any particular time which they may choose to mention as soon as the transition period is over, to give gold in exchange to any person who wants it. That is one of my reasons for supporting this motion which has been brought forward by my Honourable friend. Upon the other question, Sir,—with regard to the ratio—I find that the time which has been given to us to make up our minds is not really sufficient. We require to study the evidence, and we require time to come to a really considered conclusion upon the question whether the ratio that is proposed in the Bill is the proper ratio or some other ratio should be adopted. For these reasons, I support the motion which has been moved by my Honourable friend.

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

“ That the Bill further to amend the Indian Coinage Act, 1906, and the Indian Paper Currency Act, 1923, for certain purposes and to lay upon the Governor General in Council certain obligations in regard to the purchase of gold and the sale of gold or gold exchange, be taken into consideration.”

Since which the following amendment has been moved :

“ That the Bill be circulated for the purpose of eliciting opinions thereon.”

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

The motion was adopted.

#### THE INDIAN FACTORIES (AMENDMENT) BILL.

**The Honourable Sir Bhupendra Nath Mitra** (Member for Industries and Labour) : Sir, I beg to move that the Bill further to amend the Indian Factories Act, 1911, for a certain purpose, be circulated for the purpose of eliciting opinions thereon.

Honourable Members will no doubt recollect that the Indian Factories (Amendment) Bill, as introduced by me in this House in September

1925, included provisions for the maintenance of a reasonable temperature in every factory and for the grant of power to Factory Inspectors, requiring factory managers to carry out specified measures for maintaining a reasonable temperature in their factories. When the Bill was circulated for opinion these specific provisions gave rise to a certain amount of adverse criticism, though the principle underlying the provisions received almost unanimous support. The majority of the Select Committee which sat on the Bill and which submitted its report on the 9th March 1926, however, decided to eliminate the provisions. They expressed the opinion that those provisions, or even a provision which would enable the Local Government by rules to lay down standards of temperature suitable for various localities and various classes of factories would, until an adequate investigation and research in regard to this very difficult problem had been completed on a far more thorough scale than heretofore, impose a real burden upon employers and would only be a problematical advantage to the employees.

When the Bill as amended by the Select Committee came up for consideration in this House on the 17th March 1926, my friend Mr. Joshi moved an amendment restoring the provisions excised by the majority of the Select Committee. The amendment was opposed by my friend Mr. Kasturbhai Lalbhai; and for reasons which I gave on that occasion, I was unable on behalf of Government to accept the precise amendment proposed by my friend Mr. Joshi or to propose any modification of that amendment. I promised, however, to bring up the matter for discussion at the next Session of the Assembly. To implement that promise I have introduced the Bill now before us. It is based largely on suggestions received from the Bombay Government and from one or two other sources. At the same time I cannot overlook the fact that the majority of the Select Committee which dealt with the Factories Amendment Bill last Session were not in favour of the provisions now proposed by me. After my visit to some of the textile factories in Ahmedabad and Bombay in April last, I have no doubt in my own mind that in the interest of the welfare of the labourers some action in the direction contemplated in the Bill now before this House is necessary; and I am sure that my friend Mr. Kasturbhai Lalbhai who was kind enough to show me round some of the Ahmedabad mills will now agree in this view. At the same time, I am not so sure about the efficacy from the practical point of view of the specific provisions included in the Bill before the House, and it is possible that people with a better knowledge of the conditions than I possess may be able to suggest a more practical remedy. It is for this reason that I am moving that the Bill be circulated for eliciting opinion. I know that the result will be that the Bill will be dead so far as the present Assembly is concerned; but we hope to be able to collect the information in the next four or five months and bring up the matter again in the next Session of the House. The delay involved will not be of any importance from a practical point of view; for even if I had moved the House to pass the Bill in its present form and the House were inclined to this course, it would take some months, if not years, to make the provisions of the Bill effective. That being the position, I submit that I am justified in asking that the proposals embodied in the Bill before the House should be subjected to more careful scrutiny at this stage. Sir, I move the motion.

The motion was adopted.



## THE USURIOUS LOANS (AMENDMENT) BILL.

**The Honourable Sir Alexander Muddiman** (Home Member) : Sir, I move that the Bill to amend the Usurious Loans Act, 1918, for certain purposes, be taken into consideration.

I explained this Bill when introducing it. I have received no notice of amendment or suggestion. I therefore move that the Bill be taken into consideration.

The motion was adopted.

Clause 2 was added to the Bill.

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

“ That clause 3 do stand part of the Bill.”

**Diwan Bahadur T. Rangachariar** : May I ask, Sir, why 12 years is considered necessary in this matter ?

**The Honourable Sir Alexander Muddiman** : We considered the matter in consultation with Local Governments and we think that most of the transactions which come under notice under this Act are very complicated and go back to a long period ; we have therefore substituted 12 years for 6 years.

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**The Honourable Sir Alexander Muddiman** : Sir, I move that the Bill be passed.

The motion was adopted.

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## THE CODE OF CIVIL PROCEDURE (SECOND AMENDMENT) BILL.

**The Honourable Sir Alexander Muddiman** (Home Member) : Sir, with regard to the Bill further to amend the Code of Civil Procedure, 1908, I should like to explain that I do not make the motion, because amendments have been received and have to be considered. I will put it down for the next Government day.

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## THE WORKMEN'S COMPENSATION (AMENDMENT) BILL.

**The Honourable Sir Bhupendra Nath Mitra** (Member for Industries and Labour) : Sir, I beg to move that the Bill further to amend the Workmen's Compensation Act, 1923, be taken into consideration.

Sir, this is a simple Bill and its sole object is to give effect to a Resolution which was passed by both Chambers of the Indian Legislature recommending to the Governor General in Council the adoption of a certain Draft Convention passed at the Seventh Session of the International Labour Conference held at Geneva in 1925. It is not necessary for me to add anything to what is contained in the Statement of Objects and Reasons.

The motion was adopted.

Clause 2 was added to the Bill.

**Mr. President** :—The question is :

“ That clause 1 do stand part of the Bill.”

**Sir Walter Willson** (Associated Chambers of Commerce : Nominated Non-official) : I do not know whether it is better to address you under clause 1 or clause 2, but I would like to ask the Honourable Member before this Bill is passed what countries.....

**Mr. President** : The Honourable Member may reserve his remarks for the third stage of the Bill.

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**The Honourable Sir Bhupendra Nath Mitra** : Sir, I move that the Bill be passed.

**Sir Walter Willson** : Sir, before we proceed to pass the Bill, I would be glad if the Honourable Member could give us some information as to what countries have accepted the Convention and which of them have amended their Workmen's Compensation Act to include the provisions now suggested for adoption in India by the proposed amendment.

**The Honourable Sir Bhupendra Nath Mitra** : I am sorry, Sir, it is not possible for me to give a complete answer to that question at this stage. I know that the labour laws of several countries as they already stand provide for the grant of workmen's compensation in connection with occupational diseases similar to those for which provision is being made in the Indian law. If my friend wants complete information on the subject, I will have to ask for a little more time and I shall supply him with the information. The information is generally published in the Labour Bulletins issued from Geneva.

**Sir Walter Willson** : I thank the Honourable Member.

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

“ That the Bill further to amend the Workmen's Compensation Act, 1923, be passed.”

The motion was adopted.

## THE NEGOTIABLE INSTRUMENTS (INTEREST) BILL.

**The Honourable Sir Alexander Muddiman** (Home Member) : Sir,

4 P.M.

I beg to move that the Bill further to amend the Negotiable Instruments Act, 1881, and the Code of Civil Procedure, 1908, for certain purposes, be taken into consideration.

When I introduced this Bill, I explained its objects. It is a very simple Bill and is non-contentious. I have received no notice of amendments. I move, Sir.

The motion was adopted.

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

Clause 1 was added to the Bill.

The Title and Preamble were added to the Bill.

**The Honourable Sir Alexander Muddiman :** Sir, I move that the Bill be passed.

The motion was adopted.

\* **The Honourable Sir Alexander Muddiman :** Sir, the remaining Bills on the paper are Bills which require some discussion and, as the business has broken down to-day rather unexpectedly, I propose, with your permission, to take them up on Wednesday.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 24th August, 1926.