

21st March 1927

THE  
**LEGISLATIVE ASSEMBLY DEBATES**

**(Official Report)**

**Volume III**

*(15th March to 28th March, 1927)*

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**FIRST SESSION**

**OF THE**

**THIRD LEGISLATIVE ASSEMBLY, 1927**



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1927

# Legislative Assembly.

## *The President :*

THE HONOURABLE MR. V. J. PATEL.

## *Deputy President :*

MAULVI MUHAMMAD YAKUB, M.L.A.

## *Panel of Chairmen :*

MR. M. A. JINNAH, M.L.A.

THE REV. DR. E. M. MACPHAIL, M.L.A.

MR. M. R. JAVAKAR, M.L.A.

MR. K. C. NEOGY, 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. G. H. SPENCE, I.C.S.

## *Marshal :*

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

## *Committee on Public Petitions :*

MAULVI MUHAMMAD YAKUB, M.L.A., *Chairman.*

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

MR. JAMNABAS M. MEHTA, M.L.A.

LIEUT.-COLONEL H. A. J. GIDNEY, M.L.A.

MR. C. DURAISWAMY AYYANGAR, M.L.A.

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# LEGISLATIVE ASSEMBLY.

Monday, 21st March, 1927.

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

## QUESTIONS AND ANSWERS.

### CREATION OF SEPARATE DIVISIONAL AND SESSIONS COURTS IN HAZARA AND THE MARDAN SUB-DIVISION OF THE PESHAWAR DISTRICT.

985. \***Nawab Sir Sahibzada Abdul Qaiyum**: Will Government be pleased to state:

- (a) If the North-West Frontier Province administration have been appointing for some time past additional officers to help the Sessions and Divisional Judge of Peshawar and Hazara in the disposal of his heavy judicial work and, if so, since when and how many additional officers there are at present?
- (b) What is the number of civil appeals now pending in that court for disposal?
- (c) What is the average disposal per month of each officer of these appeals and what is the average number of appeals admitted in this court each month?
- (d) Have Government made any inquiries as to whether that officer will ever be able to cope with his heavy civil and criminal work without additional help—if not, do they propose to do so and if necessary to establish separate Sessions and Divisional Courts in Hazara and the Mardan sub-division of the Peshawar District?

• **Mr. E. B. Howell**: (a) An additional Divisional and Sessions Judge has been appointed permanently since December 1918. A third Judge is appointed from time to time when the state of the pending cause list renders it necessary. The appointment of such third Judge has now been sanctioned as a temporary measure until 31st March 1927.

(b) 366.

(c) The average disposals are 26 per mensem by each officer and the average institutions in Court 58 per mensem.

(d) The two judges should be able to cope with the work with occasional help. Separate Courts in the Hazara District and Mardan sub-division of the Peshawar District are not considered necessary.

**CREATION OF A SECOND DIVISIONAL AND SESSIONS COURT FOR THE  
KOHAT, BANNU AND DERA ISMAIL KHAN DISTRICTS.**

986. \*Nawab Sir Sahibzada Abdul Qaiyum: Will Government be pleased to state:

- (a) If an Additional Sessions and Divisional Judge has been appointed to help in clearing the arrears of judicial work pending in the Court of the Sessions and Divisional Judge, Dera Ismail Khan, and, if so, are the Government in a position to state how long it will take him to clear the arrears?
- (b) Have Government satisfied themselves that the permanent officer can cope with the ordinary work?
- (c) If the reply to the above is in the negative, do Government propose to create a second Sessions and Divisional Court for the Kohat, Bannu and Dera Ismail Khan Districts?

**Mr. E. B. Howell:** (a) An Additional Divisional and Sessions Judge was appointed and he cleared off the arrears by 28th February 1927.

- (b) Yes, Sir—with occasional assistance.
- (c) Therefore does not arise.

**CREATION OF SEPARATE DISTRICT AND SESSIONS COURTS FOR THE VARIOUS  
DISTRICTS OF THE NORTH-WEST FRONTIER PROVINCE.**

987. \*Nawab Sir Sahibzada Abdul Qaiyum: (a) Will Government be pleased to state the reasons which deprive the various districts of the North-West Frontier Province from enjoying the facilities of separate District and Sessions Courts?

(b) If the chief reason for it has been the want of funds then do Government propose to consider the matter in the light of the improved financial condition of the Government of India?

**Mr. E. B. Howell:** Each District has not a separate Divisional and Sessions Court, because the amount of work emanating from Districts other than Peshawar does not justify the appointment. The same is the case in the Punjab where several District and Sessions Judges hold charge of more than one Revenue District.

It is not a question of funds, Sir, but of the proper adjustment of judicial machinery.

**POPULATION, LAND REVENUE, ETC., OF THE MARDAN SUB-DIVISION OF  
THE PESHAWAR DISTRICT AND THE KOHAT DISTRICT.**

988. \*Nawab Sir Sahibzada Abdul Qaiyum: (a) Will Government be pleased to furnish the following information with respect to (1) the Mardan sub-division of the Peshawar District, and (2) the Kohat District of the North-West Frontier Province:

- (i) Population,
- (ii) Land revenue including ' Abiana ' (water tax),
- (iii) The total number of judicial cases (criminal, civil and revenue) instituted in the law courts of the sub-division and the district separately, in the year 1926,
- (iv) The number of gazetted officers posted at each place?

(b) Are Government aware that the judicial and executive work of the sub-division has considerably increased as the result of the opening of the new canal and the revision of settlement now in progress in the sub-division?

(c) Is it a fact that the Assistant Commissioner, Mardan, exercises full judicial and revenue powers in the sub-division as a District Magistrate, Collector, etc.?

(d) Is the post of Assistant Commissioner a senior post on the higher cadre of the North-West Frontier Province carrying a special allowance?

(e) Was there a proposal to constitute this sub-division into a separate District and will Government please state if that proposal is still under the consideration of the Government of India?

**Mr. E. B. Howell:** (a) (i) to (iv). I lay on the table a statement containing the information asked for.

(b), (c) and (d). Yes, Sir.

(e) Such a proposal was I believe considered by the Local Administration at one time. But, it is not now before the Government of India.

*Statement.*

	Mardan Sub-Division.	Kohat District.	
(a) (i) Population . . . . .	3,80,884	2,14,123	
(ii) Land revenue including "Abiana" (water tax) . . . . .	11,62,299	2,52,194	
(iii) Total number of judicial cases instituted in the Law Courts in 1926:			
	Criminal.	Civil.	Revenue.
Mardan Sub-Division . . . . .	3,318	2,182	1,765
Kohat District . . . . .	1,928	2,346	1,955
(iv) Number of gazetted officers:			
	Mardan Sub-Division.	Kohat District.	
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CONVERSION OF THE SUB-DIVISION OF MARDAN INTO A SEPARATE DISTRICT.

989. \*Nawab Sir Sahibzada Abdul Qaiyum: (a) Will Government be pleased to state:

(i) If the Deputy Commissioner of Peshawar is always considered to be an everworked official and is given personal assistants from time to time?

- (ii) Is it also a fact that his 'Mulaqat' and office work is very very heavy and that he cannot get sufficient time to attend to his judicial and touring work and that the sub-divisional officers of Mardan, Charsadda and Nowshera are consequently given full judicial powers?

(b) If the replies to the above are in the affirmative, will Government please state if they propose to give relief to the Deputy Commissioner of Peshawar by constituting the most important sub-division of Mardan into a separate District?

**Mr. E. B. Howell:** (a) (i). Yes, Sir.

(ii) The 'Mulaqat' and office work of the Deputy Commissioner, Peshawar, is very heavy, but he has sufficient time to attend to his judicial and touring work. The Sub-Divisional Officers of Mardan, Charsadda and Nowshera have full judicial powers.

(b) The question is not at present under consideration.

FORMATION OF THE SWABI TAHSIL OF THE PESHAWAR DISTRICT INTO  
A SEPARATE SUB-DIVISION.

990. \*Nawab Sir Sahibzada Abdul Qaiyum: (a) Will Government be pleased to state if they are considering the question of forming the Swabi Tahsil of the Peshawar District, North-West Frontier Province, into a separate sub-division?

(b) Are Government aware that some of the villages are more than 50 miles from the Headquarters of the sub-division and that the inhabitants of these villages have to travel that distance for attending to their petty civil cases at Mardan?

(c) Are Government aware that there are no proper roads and conveyances such as railway, etc., in several parts of this area and that the people are enduring great hardships and expenditure on that account?

(d) Are Government prepared to consider the advisability of ordering the location of a first class Magistrate and Munsif's court at Swabi until such time as the Tahsil can be formed into a separate sub-division?

**Mr. E. B. Howell:** (a) No, Sir.

(b) The most distant parts of the Tahsil are 40 miles from Mardan, but most of the villages are within easy reach of a main road.

(c) As regards roads "No". There is no railway at present in the Swabi Tahsil.

(d) It is not considered necessary to incur the expense of making this change at present.

TRANSFER TO GOVERNMENT OF ROADS ADMINISTERED BY THE DISTRICT  
BOARD OF PESHAWAR.

991. \*Nawab Sir Sahibzada Abdul Qaiyum: Will Government be pleased to state:

- (a) If it is a fact that the District Board of Peshawar, North-West Frontier Province, has charge of such a large number of roads that they cannot keep them in proper order?

- (b) Was there a provincial contribution to the District Board for the repairs of these roads, and if so, how much?
- (c) Has that contribution been stopped, and, if so, since when?
- (d) Is it a fact that some of these roads are more of a provincial nature than local?
- (e) If so, do Government propose to take over some of these roads and relieve the District Board of this unbearable burden?

**Mr. E. B. Howell:** (a) The Peshawar District Board control 9½ miles of metalled roads and 4,582 miles of unmetalled roads.

(b) Before 1921 Government gave occasional grants for road repairs, viz., Rs. 25,000 in 1918-19 and Rs. 50,000 in 1919-20.

(c) No contribution has been made since 1920.

(d) and (e). No roads are considered to be of a provincial nature. Some are acquiring increased district importance and an extension of the road system is urgently required. No programme, however, is possible until the Board agrees to authorise additional taxation.

CONSTRUCTION OF A RAILWAY FROM CHARSADDA TO SWABI IN THE PESHAWAR DISTRICT.

992. \***Nawab Sir Sahibzada Abdul Qaiyum:** (a) Will Government be pleased to state if a deputation of some respectable land owners of the Peshawar District waited on the Honourable the Chief Commissioner towards the end of the last year and requested him, along with other matters, for the improvement of communications in the District to enable them to export their grain and other produce to the nearest railway stations and markets and make it easier for them to pay the land revenue enhanced in the new settlement?

(b) If so, do Government propose to take action on the representation by opening the long expected railway line from Charsadda to Swabi?

**Mr. E. B. Howell:** (a) Yes, Sir.

(b) The Charsadda-Swabi Railway project is being investigated.

CONFERMENT OF HONORARY POWERS ON PRIVATE INDIVIDUALS IN THE NORTH-WEST FRONTIER PROVINCE.

\* 993. \***Nawab Sir Sahibzada Abdul Qaiyum:** (a) Will Government be pleased to state what principles are followed in conferring honorary powers on private individuals in the North-West Frontier Province?

(b) Are these powers conferred with a view to assist the judiciary by utilising the services of experienced retired officers or for keeping up the position or even for reviving the prestige of certain families in the Province, somewhat on the lines of the old feudal system?

(c) Are these powers conferred spontaneously by Government or by selection from among those who approach the authorities with a request for the grant of these powers?

(d) Is it a fact that higher powers of Additional District Magistrate are occasionally conferred on persons having no modern education or experience of judicial work?



(e) Are Government aware that the conferment of these powers on inexperienced and inadequately educated people is unpopular with the public and that protests have been made against the exercise of these powers?

(f) Do Government propose to restrict these powers to experienced and well educated persons in future?

**Mr. E. B. Howell:** (a) Such powers are conferred on well-to-do gentlemen of social status much as in England and in other countries.

(b) The powers are conferred with a view to assisting the judicial administration.

(c) Powers are granted on the recommendation of District Officers after approval by Sessions Judges and the Judicial Commissioner.

(d) Government are not aware of any instance in which this has been done.

(e) Therefore does not arise.

(f) The restriction already exists.

**Nawab Sir Sahibzada Abdul Qaiyum:** Is the Honourable Member not aware that protests have been made against the grant of the powers of Additional District Magistrates to some of the Honorary Magistrates?

**Mr. E. B. Howell:** I was not aware of that, Sir.

**Nawab Sir Sahibzada Abdul Qaiyum:** Is Government aware that it is found some times inconvenient by the police to take their chalans to these village courts, and also inconvenient to lawyers who have to attend these private courts, and that in some cases the parties are made to pay the cost of conveyance of the accused and the police guard to the place where the Court sits, and do Government propose to fix some educational standard of qualifications for these men?

**Mr. K. Ahmed:** Is it not derogatory to the principles of justice that in this country it (justice) should be administered by these private individuals who are not educated familiar with judicial work and up-to-date rulings on points of law?

**Mr. E. B. Howell:** It must be a matter of opinion.

**Mr. K. Ahmed:** Is it also a matter of opinion as regards justice?

#### GRIEVANCES OF SECOND DIVISION CLERKS OF THE ARMY DEPARTMENT AND THE ARMY HEADQUARTERS.

994. **\*Khan Bahadur Sarfaraz Hussain Khan:** (a) Is it a fact that a third division has been created in the Government of India Secretariats and the Army Headquarters, and, if so, when has it been created?

(b) Is it a fact that previous to the creation of the third division there were only two divisions, namely, the first division or upper division and second division or lower division?

(c) Is it a fact that since the creation of the Staff Selection Board each recruit to the second division had to pass the qualifying examination of the Board for that division before he could be recruited in the Government of India Secretariats or the Army Headquarters?

(d) Is it a fact that the Establishment Officer of the Army Department compelled some of the second Division men of the Army Department and the Army Headquarters who passed the Staff Selection Board examination before the creation of the third division to appear for the second division examination held by the Public Service Commission recently? If so, how many?

(e) Will Government be pleased to state whether each of such candidates was declared by the late Staff Selection Board to have passed the examination for the second division? If so, will Government be pleased to state the reasons why and under what authority the Establishment Officer compelled them to appear for the second division examination again, recently held under the auspices of the Public Service Commission?

(f) Will Government be pleased to state whether men of the Civil Secretariats placed under the same circumstances were compelled to reappear at the recent examination?

**Mr. G. M. Young:** (a) Yes; the third division was created in June 1924 in the Government Secretariat and in the Master General of Supply Branch of Army Headquarters.

(b) and (c). Yes.

(d) No, Sir. The Establishment Officer could not have done this, even if he had wanted to.

(e) Does not arise.

(f) Not so far as I am aware.

NUMBER OF INDIANS IN THE POLITICAL DEPARTMENT.

995. **\*Khan Bahadur Sarfaraz Hussain Khan:** Will Government be pleased to state the number of Indians employed in the Political Department in each of the last five years, showing in each case the class of service from which such Indians were recruited, and the names of each such officer?

**Mr. E. B. Howell:** A statement furnishing the information required is laid on the table.

No. of Indian officers employed in the Political Department.	Names of such officers.	Services from which they were recruited.	Remarks.
4 or 5 in 1922 .	Nawab Sir Mir Shams Shah K. B. Hamidullah Khan K. B. Mir Sharbat Khan R. B. Diwan Gyan Nath K. B. Sadullah Khan	Provincial Civil Service. Ditto. Ditto. Ditto. Ditto.	Retired from service in June, 1922.
6 in 1923 .	K. B. Hamidullah Khan K. B. Mir Sharbat Khan R. B. Diwan Gyan Nath K. B. Sadullah Khan E. B. Bhai Lehna Singh K. B. Nawab Muzaffar Khan	Ditto. Ditto. Ditto. Ditto. Ditto. Ditto.	

No. of Indian officers employed in the Political Department.	Names of such officers.	Services from which they were recruited.	Remarks.
5 or 6 in 1924 . . .	K. B. Hamidullah Khan . . .	Provincial Civil Services.	Retired from service in August, 1924.
	K. B. Mir Sharbat Khan . . .	Ditto.	No recruitment of Indians was made in 1924 owing to the lack of suitable candidates.
	R. B. Diwan Gyan Nath . . .	Ditto.	
	K. B. Sadullah Khan . . .	Ditto.	
	R. B. Bhai Lehna Singh . . .	Ditto.	
	K. B. Nawab Muzaffar Khan . . .	Ditto.	
9 in 1925 . . .	K. B. Mir Sharbat Khan . . .	Ditto.	The post of Attaché, Foreign and Political Department, from which K. B. Muhammad Inam-ul-Huk was promoted to the Political Department is regarded as a Provincial Civil Service post for the purposes of recruitment.
	R. B. Diwan Gyan Nath . . .	Ditto.	
	K. B. Sadullah Khan . . .	Ditto.	
	R. B. Bhai Lehna Singh . . .	Ditto.	
	K. B. Nawab Muzaffar Khan . . .	Ditto.	
	K. B. Muhd. Inam-ul-Huk . . .	Ditto.	
	K. B. Maulvi Ahmad Din . . .	Ditto.	
	Mr. K. P. S. Menon . . .	Indian Civil Service.	
	Lt. Abdur Rahim Khan . . .	Indian Army.	
	Lt. Abdur Rahim Khan . . .	Ditto.	
10 or 11 in 1926 . . .	K. B. Mir Sharbat Khan . . .	Provincial Civil Service.	Retired from service in May, 1926.
	R. B. Diwan Gyan Nath . . .	Ditto.	
	K. B. Sadullah Khan . . .	Ditto.	
	R. B. Bhai Lehna Singh . . .	Ditto.	
	K. B. Nawab Muzaffar Khan . . .	Ditto.	
	K. B. Muhd. Inam-ul-Huk . . .	Ditto.	
	K. B. Maulvi Ahmad Din . . .	Ditto.	
	Mr. K. P. S. Menon . . .	Indian Civil Service.	
	Lt. Abdur Rahim Khan . . .	Indian Army.	
	Lt. Sahibzada Syed Iskander Ali . . .	Ditto.	
	Mirza . . .	Ditto.	
	Lt. Kunwar Visheshwar Nauth Singh . . .	Ditto.	

DATE OF THE DESPATCH OF THE VIEWS OF THE GOVERNMENT OF INDIA TO THE SECRETARY OF STATE ON THE REPORT OF THE AUXILIARY AND TERRITORIAL FORCES COMMITTEE.

996. \*Khan Bahadur Sarfaraz Hussain Khan: Will Government be pleased to state when their views on the Auxiliary and the Territorial Forces Committee were sent to the Secretary of State?

Mr. G. M. Young: On the 24th June, 1926.

TELEGRAPH TRAINING CLASSES IN SCHOOLS AND COLLEGES.

997. \*Khan Bahadur Sarfaraz Hussain Khan: (a) Is it a fact that there are telegraph training classes in certain approved schools and colleges?

(b) If so, how many schools and colleges have got telegraph training classes, and what are their names?

Sir Ganon Roy: (a) Yes.

(b) Six. Their names are as follows:

(i) Barnes High School, Devlali.

(ii) Lawrence Memorial School, Lovedale.

(iii) St. Joseph's College, Coonor.

(iv) St. Fidelis' High School and Orphanage, Mussoorie.

(v) Scottish Churches College, Calcutta.

(vi) Ashutosh College, Bhawanipur (Calcutta).

DISPOSAL OF THE FOREIGN PARCEL MAIL IN THE CALCUTTA GENERAL POST OFFICE.

998. \*Mr. Amar Nath Dutt: (a) Is it a fact that the Government of India have sanctioned overtime allowance to cope with the extra work in connection with the disposal of foreign parcel mail articles in the Calcutta General Post Office? If so, what are the conditions and the rates of such overtime allowance?

(b) Is it a fact that the Presidency Postmaster, Calcutta, is drafting auxiliaries from the various departments in the Calcutta General Post Office to cope with the work without paying the overtime allowance?

(c) If the answer to the above is in the affirmative, will Government please state whether arrangements for the work of the auxiliaries in their respective departments are made by the Presidency Postmaster?

The Honourable Sir Bhupendra Nath Mitra: (a) Yes. The conditions and rates of overtime pay are as follows:

		Rs. s. p.
Up to 600 parcels.	1 Assistant Postmaster at . . . . .	10 0 0 per mail.
	1 Head Clerk at . . . . .	5 0 0 "
	9 Clerks . . . . .	2 0 0 "
	9 Coolies . . . . .	0 4 0 each "
	1 Carpenter . . . . .	0 8 0 each "

with one extra clerk for every 60 additional parcels and one extra cooly for every 120 additional parcels.

(b) and (c). The Honourable Member's attention is invited to the replies given to parts (a) and (b) of his starred question No. 1145 on the 9th March 1926.

PROCEDURE FOLLOWED IN THE BOMBAY GENERAL POST OFFICE IN  
CONNECTION WITH THE DISPOSAL OF THE INWARD FOREIGN  
PARCEL MAIL.

999. \***Mr. Amar Nath Dutt**: Will Government please state what procedure is followed in the Bombay General Post Office for the disposal of inward foreign parcel mail articles and whether the system of drafting auxiliaries is in vogue there?

**The Honourable Sir Bhupendra Nath Mitra**: The Honourable Member's attention is invited to the reply given to part (c) of his starred question No. 1145 on the 9th March 1926.

GRANT OF OVERTIME ALLOWANCE FOR WORK IN CONNECTION WITH THE  
DISPOSAL OF INWARD FOREIGN PARCEL MAIL IN THE CALCUTTA  
GENERAL POST OFFICE.

1000. \***Mr. Amar Nath Dutt**: (a) Is it a fact that Government have sanctioned overtime allowance for work in connection with the disposal of the inward foreign mail articles in Calcutta?

(b) Will Government please say whether the same procedure will be adopted in the Calcutta General Post Office to dispose of the inward foreign parcel mail? If not, why?

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

(b) Government do not propose to adopt the same procedure. Overtime pay is granted for the disposal of inward foreign mails in the Calcutta General Post Office because this work has to be done when the staff required for the purpose are off duty. The disposal of the inward foreign parcel mails in the Calcutta General Post Office does not involve the employment of staff on overtime duty except on occasions of pressure, when overtime pay is granted.

INCREASE IN LOSSES OF PARCEL BAGS AND INSURED ARTICLES DURING  
THE REGIME OF MR. C. D. RAE, PRESIDENCY  
POSTMASTER, CALCUTTA.

1001. \***Mr. Amar Nath Dutt**: (a) Will Government please lay on the table a comparative statement showing the number of parcel bags and insured articles lost and the amount of Government loss involved therein (1) during the regime of Mr. C. D. Rae, the present Presidency Postmaster, Calcutta, and (2) during the regime of his predecessor?

(b) Is it a fact that there has been an increase in cases of loss of parcel bags and insured articles during Mr. Rae's regime compared with such cases during his predecessor's time? If so, are Government prepared to institute an inquiry to ascertain the reasons for the increase?

**Sir Ganen Roy**: (a) It is not possible for Government to supply the Honourable Member with the information asked for owing to the destruction of old records in accordance with the rules.

(b) Does not arise.

**Mr. K. Ahmed**: (Inaudible) Is it not a fact, Sir, that the reasons for such increase are best known to each and every member of the party of my Honourable friend the questioner, and in spite of the virulent character of the movement all the credit is due to Mr. Rae for the sagacious steps he has taken to put a stop to the loss of these parcels and insured letters?

**Mr. Amar Nath Dutt:** Perhaps the Honourable Member is in the confidence of the Department.

**Mr. K. Ahmed:** But is it not a fact that during the last communal riot in Calcutta great credit was due to Mr. Rae who took such precautionary steps in the case of insured parcels and valuables?

**Mr. President:** Mr. Amar Nath Dutt.

**Mr. Amar Nath Dutt:** I have nothing to do with the communal riots.

**Mr. President:** Mr. Amar Nath Dutt. Question No. 1002.

EMPLOYMENT OF LEAVE RESERVES IN THE REGISTRATION AND PARCEL DEPARTMENTS OF THE CALCUTTA GENERAL POST OFFICE.

1002. **\*Mr. Amar Nath Dutt:** (a) Are Government aware that leave reserves are not promptly sent by Mr. C. D. Rae, Presidency Postmaster, Calcutta, to work in the places of officials on leave, specially in the Registration and Parcel Departments of the Calcutta General Post Office and some of the town sub-offices and that the remaining staff are compelled to manage the work of the absentees in addition to their own work?

(b) If the answer to the above be in the affirmative, do Government propose to adopt effective measures to ensure prompt relief as soon as any official goes on leave? If so, what measures do Government propose to adopt?

**Sir Ganen Roy:** Government have no information on the subject, but are making enquiries.

INCREASE OF LEAVE RESERVES FOR THE POST OFFICE AND THE RAILWAY MAIL SERVICE.

1008. **\*Mr. Amar Nath Dutt:** (a) Is it a fact that the All-India Postal and Railway Mail Service Union has represented that the 17 per cent. leave reserve sanctioned by the Government is entirely inadequate and that the leave reserves should be increased by 25 per cent. for the Post Office and 30 per cent. for the Railway Mail Service?

(b) If the answer to the above is in the affirmative, will Government please state if they propose to increase the percentage of leave reserves; and if so, when?

**The Honourable Sir Bhupendra Nath Mitra:** (a) The All-India (including Burma) Postal and Railway Mail Service Union represented that a leave reserve of 25 per cent. should be sanctioned for Post Office clerks in India and 30 per cent. in Burma and for sorters in the Railway Mail Service.

(b) The leave reserve for sorters in the Railway Mail Service has been increased to 20 per cent. in India and 25 per cent. in Burma. A general arrangement has also been introduced permitting of the grant of leave on medical certificate even if the total number of absentees be in excess of the sanctioned leave reserve. In the circumstances Government do not think it necessary to increase the leave reserves for the Post Office or further to increase them for the Railway Mail Service.

CONTRACT WITH MESSRS. GARAGE AND COMPANY, MADRAS, FOR THE  
CONVEYANCE OF MAILS IN CALCUTTA.

1004. \*Mr. Amar Nath Dutt: (a) Is it a fact that Government have entered into a contract with Messrs. Garage and Company, Madras, under the terms of which the contractors have taken over charge of the conveyance of mails and the motor fleet formerly under the control of the Calcutta General Post Office?

(b) If the answer to the above is in the affirmative, will Government be pleased to lay on the table a comparative statement showing the cost of mail conveyance in Calcutta before and after the contract?

(c) Is it a fact that the old motor vans were sold to the contractors? If so, will Government please lay on the table a statement showing (1) the number of cars sold, (2) the dates of purchase of each, (3) the original cost of each, and (4) the price at which each of them was sold to the contractors?

(d) Will Government please state the reason why the cars were not sold by public auction?

Sir Ganen Roy: (a), (b) and (c) (1), (2) and (3). The Honourable Member's attention is invited to the replies given to parts (a), (b) and (c) of the starred question No. 1150 asked on his behalf by Mr. S. C. Ghose on the 9th March 1926.

(c) (4). The information in respect of each vehicle is not available. The sale price of the fleet as a whole was fixed by the Tribunal of Arbitration of the Bengal Chamber of Commerce.

(d) It was presumed that these second hand cars, many of which had done a considerable mileage, would fetch a better price by sale to the contractors as the result of an impartial valuation than by sale at a public auction.

SAVINGS EFFECTED BY THE CONTRACT SYSTEM OF CONVEYANCE OF MAILS  
IN CALCUTTA.

1005. \*Mr. Amar Nath Dutt: Will Government be pleased to state if the contract system of conveyance of mails in Calcutta has resulted in any saving of expenditure? If so, what is the amount of annual savings? If not, why was the contract system introduced?

Sir Ganen Roy: The Honourable Member's attention is invited to the reply given to part (d) of the starred question No. 1150 asked on his behalf by Mr. S. C. Ghose on the 9th March 1926.

GRANT OF COMPENSATION TO THE MOTOR DRIVERS OF THE CALCUTTA  
GENERAL POST OFFICE DISCHARGED AFTER THE INTRODUCTION  
OF THE CONTRACT SYSTEM OF MAIL CONVEYANCE.

1006. \*Mr. Amar Nath Dutt: (a) Is it a fact that the services of all motor drivers who were attached to the Calcutta General Post Office motor fleet were dispensed with after the introduction of the contract system of mail conveyance?

(b) If the answer to the above is in the affirmative, will Government be pleased to state the number of drivers whose services were dispensed with and the length of service of each in the department?

(c) Is it a fact that the motor drivers of the Madras General Post Office whose services were dispensed with under similar circumstances were paid by the Government a gratuity according to the rules in force in consideration of their past service in the department?

(d) Was compensation paid to the motor drivers of the Calcutta General Post Office in the same manner? If not, why?

**Sir Ganen Roy:** The Honourable Member's attention is invited to the replies given to parts (e), (g) and (h) of the starred question No. 1150 asked on his behalf by Mr. S. C. Ghose on the 9th March 1926.

RETENTION OF THE SERVICES OF MR. R. H. LEGGE AS TRAFFIC SUPERVISOR, CALCUTTA GENERAL POST OFFICE, AFTER THE ABOLITION OF THE MOTOR FLEET.

1007. **\*Mr. Amar Nath Dutt:** (a) Is it a fact that Mr. R. H. Legge, who was recruited direct for the appointment of Traffic Supervisor, Calcutta General Post Office, on Rs. 250—350, was served with a notice and his services dispensed with along with the motor drivers due to the abolition of the motor fleet?

(b) Was Mr. R. H. Legge subsequently appointed as Traffic Supervisor on Rs. 250—350? If so, when?

(c) Is it a fact that the appointment of the Traffic Supervisor was created when the motor fleet was under the control of the Calcutta General Post Office?

(d) Will Government please state the reason for the retention of the said appointment even after the abolition of the motor fleet?

**Sir Ganen Roy:** (a) No.

(b) No. Mr. Legge continued as Traffic Supervisor under the new arrangements.

(c) Yes, in 1919.

(d) The services of an experienced and responsible Government official were and are required *inter alia* to regulate the running of the Contractors' vans for the prompt and proper despatch of Government mails, to keep an account of the daily mileage run and to check the bills presented by the Contractors.

APPOINTMENT OF MR. O. C. JACOB AS A SANITARY SUPERINTENDENT OF THE CALCUTTA GENERAL POST OFFICE.

1008. **\*Mr. Amar Nath Dutt:** (a) Is it a fact that Mr. O. C. Jacob, who was recruited direct for the appointment of Assistant Traffic Supervisor on Rs. 145—170 was served with a notice and his services dispensed with along with the motor drivers due to the abolition of the motor fleet in Calcutta?

(b) Was Mr. O. C. Jacob subsequently appointed as Head Clerk, Mail Department, Calcutta General Post Office, on Rs. 145—170? If so, when?

(c) Is it a fact that the Honorary Secretary of the Bengal and Assam Provincial Postal and Railway Mail Service Association protested against



the appointment of Mr. Jacob as Head Clerk of the Mail Department superseding the claims of the officials in the general line and the Postmaster-General wrote to the Secretary that Mr. Jacob had been removed from that appointment?

(d) Is it not a fact that Mr. O. C. Jacob was again appointed by the Postmaster-General, Bengal and Assam, as a Sanitary Superintendent of the Calcutta General Post Office on Rs. 250—350 after his removal from the Head Clerkship of the Mail Department?

(e) Is it a fact that the Director-General, Posts and Telegraphs, had ordered that the appointment of the Sanitary Superintendent of the Calcutta General Post Office should be abolished as soon as Mr. Leeming, the then Superintendent of Stables who was appointed as Sanitary Superintendent after the abolition of the horse conveyance, retired from the service?

(f) If the answer to the above is in the affirmative, will Government be pleased to state why the appointment of the Sanitary Superintendent was not abolished after the retirement of Mr. Leeming?

(g) If the retention of the appointment of the Sanitary Superintendent was necessary, will Government please state why the appointment was not filled up from amongst the officials of the general line?

**Sir Ganen Roy:** (a) Yes.

(b) Yes. On the 1st September 1925.

(c) Yes.

(d) Yes.

(e) No.

(f) Does not arise.

(g) The appointment is a special miscellaneous one not ordinarily filled by promotion from the general line. The existing incumbent of this post is not eligible for promotion in the general line.

INCLUSION OF THE NAME OF MR. R. H. LEGGE AS HEAD OF THE  
MAIL DEPARTMENT IN THE MEMORANDUM OF DISTRIBUTION  
OF WORK IN THE CALCUTTA GENERAL POST OFFICE.

1009. **\*Mr. Amar Nath Dutt:** (a) Is it a fact that Mr. C. D. Rae, the Presidency Postmaster, Calcutta, has shown Mr. Legge, Traffic Supervisor as the Head of the Mail Department in the Calcutta General Post Office in the memorandum of distribution of work of that Department and has authorised him to supervise the work of the Mail Department?

(b) If the answer to the above is in the affirmative, will Government be pleased to state if Mr. C. D. Rae was authorised to do so? If not, do the Government propose to direct the removal of Mr. Legge's name from the memorandum of distribution of work?

**Sir Ganen Roy:** (a) Yes.

(b) The reply to the first part is in the affirmative. The second part does not arise.

GRANT OF OVERTIME ALLOWANCE TO MR. R. H. LEGGE FOR WORK  
IN CONNECTION WITH THE DISPOSAL OF THE INWARD FOREIGN  
LETTER MAIL.

1010. \*Mr. Amar Nath Dutt: (a) Is it a fact that Mr. C. D. Bae, the Presidency Postmaster, Calcutta, allowed Mr. Legge to draw overtime allowance sanctioned for one of the supervisors appointed in connection with the disposal of the inward foreign letter mail articles though Mr. Legge is not an official of the general line?

(b) Was the Presidency Postmaster authorised by the rules to do so? If not, what steps do Government propose to take against the Presidency Postmaster?

Sir Ganen Roy: (a) Yes.

(b) Yes. The fact that Mr. Legge is not an official of the general line does not debar him from drawing overtime pay for overtime duty performed by him. The second part of the question does not arise.

EMPLOYMENT OF VAN PEONS FOR ALL THE SECTIONS OF THE RAILWAY  
MAIL SERVICE.

1011. \*Mr. Amar Nath Dutt: (a) Are Government aware that vanpeons are not sanctioned for all the sections of the Railway Mail Service and that consequently the sorters are also required to perform the duties of the van peons in addition to their own duties?

(b) Is menial work a part of the sorter's duties? If not, do Government propose to take immediate steps to provide vanpeons for all the sections?

Sir Ganen Roy: A reference is invited to the reply given by Mr. H. A. Sams to the Honourable Member's starred question No. 1149 on the 9th March 1926.

GRANT OF LOCAL ALLOWANCES TO POSTAL EMPLOYEES IN ASSAM.

1012. \*Mr. Amar Nath Dutt: With reference to the reply to question No. 1050, dated the 8rd March, 1925, regarding local allowances in Assam will Government be pleased to state if their examination of the case has been completed, and, if so, with what result? If not, when do they expect to complete their examination?

The Honourable Sir Bhupendra Nath Mitra: The Honourable Member presumably refers to the reply to question No. 1050, not 1050, of the 8rd March, 1925. His attention is invited to paragraphs 2 and 3 of the reply given to starred question No. 1154 asked on his behalf by Mr. S. C. Ghose on the 9th March 1926.

HARDSHIPS OF THE INSPECTORS OF POST OFFICES IN THE  
BENGAL AND ASSAM CIRCLE.

1013. \*Mr. Amar Nath Dutt: Has any representation been received by the Postmaster-General, Bengal and Assam Circle from the Secretary, Provincial Postal Union, detailing the hardships of the Inspectors of Post Offices in that circle? And if so, what action has been taken thereon?

Sir Ganen Roy: The Postmaster-General reports that no such representation is traceable as having been received in his office.

**TIME-TEST OF THE WORK OF DEAD LETTER OFFICES.**

1014. \***Mr. Amar Nath Dutt:** (a) Will Government be pleased to state if it is a fact that a committee under the chairmanship of Mr. Hill was appointed to fix the time-test of the work of the Dead Letter Offices in India?

(b) Was there any representative of the Dead Letter Office workers on that Committee?

(c) Is it a fact that the standard of work proposed by the said committee was declared by the Manager, Dead Letter Office, Bengal, as unsuitable?

(d) Have the recommendations of that committee been accepted by the Government?

**Sir Ganen Roy:** (a) The fact is not as stated. The committee under the chairmanship of Mr. Hill was appointed by the Postmaster-General, Bengal and Assam, to examine the methods of work of the Dead Letter Office, Calcutta.

(b) No.

(c) The Manager, Dead Letter Office, Calcutta, represented that the time-test suggested by the committee for certain items of the work was unsuitable.

(d) Yes, but the time-test is under revision.

**DELAY IN THE PAYMENT OF ARREARS OF PAY TO THE OFFICIALS OF THE DEAD LETTER OFFICE, BENGAL.**

1015. \***Mr. Amar Nath Dutt:** (a) Will Government be pleased to state when the orders sanctioning the revised scales of pay for the Calcutta General Post Office, Calcutta Sorting and Bengal Dead Letter Offices were issued?

(b) Is it a fact that the officials of the Calcutta General Post Office and Calcutta Sorting Division have been paid the arrears of pay due to that revision and that the officials of the Dead Letter Office have not yet been paid?

(c) What is the reason for the delay in the payment of the arrears to Dead Letter Office officials and who is responsible for the same?

**Sir Ganen Roy:** (a) On the 17th September 1926.

(b) The reply to the first part is in the affirmative and to the second part in the negative. The officials of the Dead Letter Office were paid the arrears in February 1927.

(c) The full facts are not to hand. An enquiry has been ordered into the cause of the delay.

**SUPERSESSION OF MESSRS. ABU IMAM FAZLUR RAHIM, AND S. AHMED MIAN CHOWDHURY, POSTAL OFFICIALS, FOR PROMOTION TO THE GRADE OF Rs. 350—650.**

1016. \***Mr. Amar Nath Dutt:** (a) Will Government be pleased to state the position of (1) Mr. Abu Imam Fazlur Rahim, (2) Mr. S. Ahmed Mian Chowdhury, (3) Mr. E. S. Kelly, (4) Mr. E. B. Stout, and (5) Mr. E. M. Ricketts in the general gradation list of postal officials in the grade of Rs. 250—350?

(b) What is the principle followed in promoting officials on Rs. 250—350 to the grade of Rs. 350—650?

(c) Is it a fact that Messrs. Kelly, Stout and Ricketts have been promoted to the grade of Rs. 350—650 superseding the claims of Messrs. Rahim and Chowdhury? If so, what is the reason for such supersession?

(d) Are there any adverse remarks against Messrs. Rahim and Chowdhury and were they communicated to the officials? If not, why?

(e) Were Messrs. Rahim and Chowdhury considered unfit for promotion to the grade of Rs. 350—650? And, if so, why?

(f) Is it a fact that Mr. Ahmed Mian Chowdhury was instrumental in the seizure in the Calcutta General Post Office of a number of parcels containing opium and *charas* aggregating over 2 maunds in all?

**Sir Ganen Roy:** (a) Before the promotion of Mr. E. S. Kelly in April 1926, the positions were Nos. 2, 7, 8, 11 and 12, respectively.

(b) By seniority, subject to suitability.

(c) Yes, but as Mr. Kelly was senior to Mr. Chowdhury, the latter was superseded only by Messrs. Stout and Ricketts. The officials superseded were not considered at the time suitable for further promotion.

(d) Yes. The remarks were communicated.

(e) Yes, for reasons given in (c) above.

(f) Yes. Last month the Head of the Circle reported favourably on Mr. Ahmed Mian Chowdhury, and he has now been promoted on probation.

LATE DELIVERY IN CALCUTTA OF ARTICLES POSTED IN THE  
VILLAGES SERVED BY THE CHOTKHAND POST OFFICE.

1017. **\*Mr. Amar Nath Dutt:** Are Government aware that postal articles posted in the villages served by the Chotkhand Post Office are delivered in Calcutta on the third day? If not, are they prepared to call for information and take steps to see that the articles are delivered in Calcutta on the day following their posting in the villages served by Chotkhand?

**Sir Ganen Roy:** It appears that owing to a change in the time table on the East Indian Railway with effect from the 1st March 1927, articles posted in villages under the Chotkhand Post Office are being delivered in Calcutta on the third day. I am having the matter looked into.

APPOINTMENT OF MESSRS. B. GANGULY AND A. R. CHATTERJEE  
TO ACT AS SUPERINTENDENTS OF POST OFFICES IN THE  
BENGAL AND ASSAM CIRCLE.

1018. **\*Mr. Amar Nath Dutt:** Is it a fact that Messrs. B. Ganguly and A. R. Chatterjee and others who have passed the departmental examination for Superintendents have not been allowed to act as Superintendents in the vacancies that occurred in the Bengal and Assam Circle? If so, why?

**Sir Ganen Roy:** No. The available officiating vacancies for Superintendents were filled by qualified officials who are senior to the officials mentioned.

IMPORTATION OF OUTSIDERS TO ACT AS SUPERINTENDENTS OF  
POST OFFICES IN THE BENGAL AND ASSAM CIRCLE.

1019. **\*Mr. Amar Nath Dutt:** (a) Is it a fact that orders have been issued that the vacancies in the grade of Superintendent of Post Offices in a circle, caused by leave or deputation should be filled up by qualified candidates attached to that circle? If so, will the Government be pleased to lay on the table a copy of that order?

(b) Is it a fact that two officers of the Bihar and Orissa Circle have been brought to fill up the acting vacancies in the grade of Superintendents in the Bengal and Assam Circle? If so, what is the reason for their importation?

(c) Will Government be pleased to state the total number of qualified officials who are in the Bengal Circle and how many of them were acting as Superintendents at the time of the importation of the two officers from the Bihar and Orissa Circle?

**Sir Ganen Roy:** (a) Yes. Copies will be furnished to the Honourable Member.

(b) Yes. One Superintendent from Bihar was temporarily posted to Bengal in February 1926 as a special case and a qualified official from Bengal was given the resultant officiating vacancy of Superintendent in Bihar. Another Superintendent was transferred temporarily in February 1927 because no suitable officer was reported to be readily available to act as Personal Assistant to the Postmaster-General, Bengal and Assam.

(c) 20. In February 1926 the number was 17 of whom 12 were acting. In February 1927 out of 20 qualified officials 11 were acting and 4 were under training or on leave.

ACCOMMODATION FOR MAIL BAGS AT BANKURA RAILWAY STATION.

1020. **\*Mr. Amar Nath Dutt:** Is it a fact that there is want of sufficient accommodation for keeping the mail bags in the Bankura railway station? If so, do Government propose to provide the necessary accommodation?

**Sir Ganen Roy:** The information has been called for and will be supplied to the Honourable Member as soon as it is received.

DISCONTINUANCE OF THE PRACTICE OF POSTMEN ACTING AS GUARDS  
IN THE BANKURA POST OFFICE.

1021. **\*Mr. Amar Nath Dutt:** Is it a fact that postmen have to act as guards in the Bankura Post Office? If so, do Government propose to consider the desirability of discontinuing the practice?

**Sir Ganen Roy:** Since the beginning of the present month a separate night guard has been employed.

MOTOR SERVICE BETWEEN BURDWAN AND SEHARA BAZAR.

1022. **\*Mr. Amar Nath Dutt:** Has any representation been made by the merchants of Bankura to the Agent, East Indian Railway, and the Managing Agent, B. D. R. Railway, to start a motor service between Burdwan and Sehara Bazar? If so, will the Government be pleased to state what steps have been taken in the matter?

**Mr. A. A. L. Parsons:** I do not know, but a representation to this effect was received by the Railway Board and the reply given was that the matter was within the competence of the Agent.

EMPLOYMENT OF THE PEOPLE OF AJMER-MERWARA IN THE PROVINCIAL SERVICES OF THE GOVERNORS' PROVINCES.

1023. **\*Rai Sahib Harbilas Sarda:** Are Government aware that the rules for admission into provincial services of the Governors' Provinces are such that the people of Ajmer-Merwara cannot get into those services while the people of other provinces, particularly the Punjab and the United Provinces, are freely taken in service in the higher branches of administration in Ajmer-Merwara? Are Government prepared to have such restrictions removed and the people of Ajmer-Merwara made eligible for entry into the services of those provinces? Have Government any programme for training the people of Ajmer-Merwara so as to make them fit for occupying high appointments as they fall vacant, to the exclusion of the people from the provinces where restrictions exist for the exclusion of outsiders from the services? If not, do they propose to consider the question of drawing up one?

**Mr. E. B. Howell:** The Government of India have no definite information as to the exclusion of the people of Ajmer-Merwara from admission into provincial services in Governors' Provinces as the latter have full power to regulate recruitment to their own Provincial Civil Services. In Ajmer-Merwara officers for higher branches of administration requiring technical knowledge, such as the Police, Forests, Public Works and Co-operative Societies, are obtained from other Provinces because suitable candidates with sufficient experience are not available locally. It has been explained that Provincial Governments have full power to regulate recruitment to their own provincial services, and the Government of India do not expect them to allot vacancies to candidates from Ajmer-Merwara in their services to the exclusion of their own men. No definite programme exists and it is hardly possible to provide facilities for technical training in Ajmer-Merwara but candidates are from time to time sent to other Provinces for training to qualify them for promotion to higher posts in special Departments, such as the Police, Forests and Co-operative Credit.

CONSTRUCTION OF A RAILWAY FROM AJMER TO KOTAH JUNCTION.

1024. **\*Rai Sahib Harbilas Sarda:** Has the question of opening a railway line from Ajmer to Kotah Junction through Deoli and Bundi been considered? If so, at what stage does the proposal stand now?

**Mr. A. A. L. Parsons:** The construction of a railway from Nasirabad to Kotah, via Deoli and Bundi, is under consideration. But, before a decision can be reached, it is necessary that a traffic survey of the route should be carried out to enable the financial prospects of the proposed railway to be judged. The estimate of the cost of the traffic survey is under preparation and it is hoped that it will be taken in hand shortly.

OPENING OF A NARROW GAUGE RAILWAY FROM AJMER TO PUSHKAR.

1025. \***Rai Sahib Harbilas Sarda:** Has the question of opening up a narrow gauge line to Pushkar as also to improve transport and trade in Ajmer-Merwara been considered? If not, do Government propose to do so now? Are Government aware that Ajmer is one of the most important places of pilgrimage for Muslims and that Hindu pilgrims to Pushkar go to Ajmer in large numbers?

**Mr. A. A. L. Parsons:** The project of linking Ajmer and Pushkar by rail, either by the line of the existing road or by Makerwali or Kharekri was exhaustively examined in the years 1902 and 1914 and finally abandoned as commercially unprofitable. Government do not at present propose to re-examine it.

Government are aware of the importance of the places mentioned to pilgrims of the Hindu and Moslem communities.

ESTABLISHMENT OF A REPRESENTATIVE COMMITTEE TO MANAGE MUNICIPAL AFFAIRS IN PUSHKAR, AJMER-MERWARA.

1026. \***Rai Sahib Harbilas Sarda:** (a) Are Government aware that there is no Municipal Committee or other representative organisation of a like nature at Pushkar which is one of the most important places of pilgrimage for the Hindus and where thousands of people collect every year?

(b) Are Government aware of the fact that the Shamlat Committee at Pushkar represents only the Jagirholders of Pushkar and is neither representative of the entire body of Pandas of Pushkar nor of the public at large?

(c) Will Government state how far the Shamlat income is being utilised by the said committee for public purposes and what steps are being taken by the said committee to improve the sanitation, roads, etc., of the town?

(d) Is it a fact that two men P. Sohanlal and Gopikishen were twice elected members of the Shamlat Committee but were not allowed by Government to take their seats on the Shamlat Committee? If so, will Government state the reasons for thus overriding the right of the electors?

(e) Is it a fact that an amount of about Rs. 50,000 was collected from the public in the name of the "Pushkar Jiwan Udhar Committee"? Will Government be pleased to state how much of this amount has been expended, and on what, and what is the balance in hand?

(f) Are Government prepared to move the local Government of Ajmer-Merwara to take into consideration the question of establishing a representative Committee for the management of Pushkar municipal affairs?

**Mr. E. B. Howell:** The information is being collected and will be communicated to the Honourable Member in due course.

INTRODUCTION OF A TIME SCALE OF PAY IN THE ANGLO-VERNACULAR AND HIGH SCHOOLS OF AJMER-MERWARA.

1027. \***Rai Sahib Harbilas Sarda:** (a) Has the question of the introduction of a time scale of pay in the Anglo-Vernacular and High Schools of Ajmer-Merwara, as it obtains in the Government College, Ajmer, been considered?

(b) If so, is it proposed to introduce such a time scale?

**Mr. J. W. Bhore:** The Honourable Member is referred to the information communicated to him by letter on the 17th March 1927 in reply to parts (d) and (e) of his question No. 878.

EMPLOYMENT OF APPRENTICES IN THE CENTRAL WORKSHOPS, AJMER.

1028. **\*Rai Sahib Harbilas Sarda:** Will Government kindly state the terms on which (1) Europeans, (2) Anglo-Indians, and (3) Indians are admitted in the Railway Workshops at Ajmer for training in higher railway work? Do Government make uniform terms for all? If not, will Government please state the reasons for such distinctions?

**Mr. A. A. L. Parsons:** I will send the Honourable Member, if he desires, a copy of the rules for the employment of apprentices in the Central Workshops, Ajmer; but the terms are uniform for apprentices of all nationalities.

REGISTRAR, CO-OPERATIVE SOCIETIES, AJMER-MERWARA.

1029. **\*Rai Sahib Harbilas Sarda:** (a) Are Government aware that the present Registrar, Co-operative Societies, Ajmer-Merwara, is reverting to the Punjab Provincial Service?

(b) Are Government also aware that there are available in Ajmer people of that province who were trained in England in Co-operative Credit work?

(c) Do Government propose to take their cases into consideration when filling up the vacancies?

**Mr. J. W. Bhore:** (a) Yes.

(b) Government understand that two young men belonging to Ajmer-Merwara have been to England for nine months to study co-operative credit. One is now employed in the Co-operative Bank in Bihar and Orissa. It is proposed to send the other to the Punjab for further practical training.

(c) The claims of local candidates will be duly considered.

SUPPLY OF FANS IN INTERMEDIATE AND THIRD CLASS COMPARTMENTS ON STATE RAILWAYS.

1030. **\*Raja Raghunandan Prasad Singh:** Will Government be pleased to state if they are considering any scheme for the supply of fans in intermediate and third class compartments of Railways controlled by Government?

**Mr. A. A. L. Parsons:** The reply is in the negative.

REPORT OF THE ECONOMIC INQUIRY COMMITTEE.

1031. **\*Raja Raghunandan Prasad Singh:** Will Government be pleased to state what action has been taken on the Report of the Economic Inquiry Committee?

**The Honourable Sir Basil Blckett:** I would refer the Honourable Member to the reply given by me to Khan Bahadur Sarfaraz Hussain Khan's question on this subject on the 11th March, 1927.



## RECONSTRUCTION OF THE ROYAL INDIAN MARINE.\*

1082. \***Raja Raghunandan Prasad Singh**: Will Government be pleased to state if the scheme for the reconstruction of the Royal Indian Marine is yet ready? If not, how long will it take to be ready?

**Mr. G. M. Young**: The attention of the Honourable Member is invited to His Excellency the Viceroy's speech at the opening of the Legislative Assembly on the 24th January last.

## AGRICULTURAL COLLEGES AND SCHOOLS.

1083. \***Raja Raghunandan Prasad Singh**: Will Government be pleased to lay on the table a statement showing the number of Agricultural Colleges and Schools, Province by Province, which are financed by Government and the actual amount that is paid to such institutions by Government every year?

**Mr. J. W. Shore**: The latest information the Government of India have on the subject is contained in the "Review of Agricultural Operations in India, 1924-25"—Appendix V, a copy of which is available in the Members' Library.

## RESOLUTION REGARDING THE RELEASE OF SARDAR KHARAK SINGH.

1084. \***Sardar Gulab Singh**: (a) Are Government aware that the second Assembly adopted unanimously the Resolution regarding the release of Sardar Kharak Singh on the 26th February, 1924?

(b) Are they also aware that the second Assembly passed the Resolution regarding the release of political prisoners on the 26th January, 1926?

(c) What practical measures were taken to give effect to the said Resolutions?

(d) When will the terms of imprisonment expire in the case of Sardar Kharak Singh?

(e) Has he earned any term of remission in his long imprisonment?

(f) Do Government intend to show any clemency in his case?

(g) Are Government also aware that the said prisoner did not defend himself?

(h) Are Government also aware that other culprits of similar offences of manufacturing kirpans were acquitted?

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

(c) I would refer the Honourable Member to the answer that I gave him on the 3rd September 1924, and to the answer that I gave to Lala Duni Chand on the 27th August 1926.

(d) and (e). Government have no information.

(f) Government are not aware of any such proposal, but the matter is primarily one for the Government of the Punjab.

(g) Yes.

(h) Government have no information; but the Honourable Member should be aware that Sardar Kharak Singh was also convicted under section 124-A of the Indian Penal Code.

**Mr. C. Duraiswamy Aiyangar:** May I know whether this sort of references to answers given in 1924 and 1926 is intended to prevent Members of this Assembly from putting supplementary questions?

**The Honourable Sir Alexander Muddiman:** No, but I suggest that Honourable Members who put questions might examine some of the previous questions put and the answers given.

**Mr. C. Duraiswamy Aiyangar:** May I know whether Members are supposed to go through all the proceedings of 1924 and 1926 in putting questions?

**The Honourable Sir Alexander Muddiman:** In this case my Honourable friend was a Member of the House and I gave him the answer to which I have referred him.

**Mr. K. Ahmed:** Are the Government aware that there is no chance of carrying such a Resolution regarding the release of Sardar Kharak Singh if that Resolution is moved to-day? Is not that a fact, Sir? (Laughter.)

#### TIME TABLES OF THE NORTH WESTERN RAILWAY.

1085. **\*Sardar Gulab Singh:** (a) Are Government aware that the present Time Table of the North-Western Railway between Lahore and Lyallpur causes great inconvenience to the travelling public?

(b) Are Government also aware that on the main lines the speed of trains has been accelerated?

(c) Will the Government please state the reasons of slackening the speed and making unnecessarily long stoppages at the intermediate stations?

(d) How long will the present Time Table last?

**Mr. A. A. L. Parsons:** (a) No.

(b) Government are aware that some trains in the main lines have been accelerated.

(c) Government have no information and it is quite impossible for them to take any part in the arrangement of Time Tables.

(d) The Time Tables are usually issued half-yearly and ordinarily the next Time Table will be issued in September next.

#### APPLICATION OF THE SIKH GURDWARA ACT TO SIKH GURDWARAS IN DELHI.

1086. **\*Sardar Gulab Singh:** (a) Are Government aware that the Sikh Gurdwara Act has come into force in the Punjab?

(b) Are they also aware that there are a good many historical Sikh Gurdwaras in Delhi?

(c) Do Government propose to consider the advisability of applying the same Act to such Gurdwaras?

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

(b) Government are aware that Gurdwaras exist in Delhi.

(c) Government are not aware that any difficulties are being experienced in the administration of these Gurdwaras.

## ESTABLISHMENT OF A CENTRAL ART INSTITUTE AT DELHI.

1087. \***Sir Hari Singh Gour:** (a) Will Government be pleased to state what action they have taken or propose to take to give effect to the Resolution passed by the Council of State to encourage the growth and development of Indian art by establishing a Central Art Institute at Delhi?

(b) Will Government be pleased to state the effect they intend to give to the proposal to establish a "Prize of Delhi"?

**The Honourable Sir Bhupendra Nath Mitra:** (a) and (b). The attention of the Honourable Member is invited to the replies given by me to unstarred question No. 92 by Mr. A. Rangaswami Iyengar and to starred question No. 816 by Mr. M. R. Jayakar on the 2nd February, 1926, and 9th March, 1927; respectively.

## NUMBER OF MARRIAGES REGISTERED UNDER ACT XXX OF 1923.

1038. \***Sir Hari Singh Gour:** Will Government be pleased to state the number of marriages registered in the several provinces under Act XXX of 1923, giving as far as possible the castes and religion of those married thereunder?

**The Honourable Sir Alexander Muddiman:** The Government of India have no information. Registration of marriages is under the Devolution Rules a provincial transferred subject.

**Sir Hari Singh Gour:** Will the Government be pleased to collect the statistics and lay them on the table?

**The Honourable Sir Alexander Muddiman:** No, Sir, I think no useful purpose will be served by asking Local Governments to collect statistics of that character.

## REPLIES TO STARRED QUESTIONS.

1039. \***Khan Bahadur Sarfaraz Hussain Khan:** (a) Will Government be pleased to state the reasons why they do not intend to follow the procedure of the Madras and the Punjab Legislative Councils in the matter of placing the replies to starred questions in the hands of the Honourable Members of the Indian Legislatures, sometime before the replies are actually read out in the House by the Government Members concerned?

(b) Do Government propose so to amend the Indian Legislative Rules as to give this facility to the non-official Members for putting supplementary questions? If not, why not? (*Vide* starred question No. 451 of the 16th February, 1927.)

**The Honourable Sir Alexander Muddiman:** (a) The present practice gives all reasonable facilities.

(b) For the reason just given Government have no such intention.

## RESEARCHES CONDUCTED BY THE IMPERIAL DAIRY EXPERT AT BANGALORE.

1040. \***Khan Bahadur Sarfaraz Hussain Khan:** (a) Will Government be pleased to state when the Dairy Expert in Bangalore was appointed and what research work he has in hand and whether he has finished any

research since his appointment? Will Government place on the table a statement of his researches since the appointment was created?

(b) Are Government in a position to state whether any business ancillary to the Dairy business has developed in the country as a result of the researches carried on by the Dairy Expert at Bangalore? (*Vide* starred question No. 452 of the 16th February 1927.)

**Mr. J. W. Bhole:** (a) and (b). The Imperial Dairy Expert since his appointment on May 1st, 1920, has conducted varied and valuable researches into many problems affecting Animal Husbandry and Dairying. A brief statement of his work will be supplied to the Honourable Member and placed in the Library of the House.

CLAIMS OF INDIANS IN TANGANYIKA AGAINST THE EX-GERMAN COLONY.

1041. **\*Khan Bahadur Sarfaraz Hussain Khan:** (a) Will Government be pleased to state whether the proposed inquiry into the correctness of the statement referred to in the *African Comrade*, Dares-Salaam, dated the 17th November last, has been made, and, if so, will they be pleased to lay the result of the inquiry on the table of this House? If no inquiry has as yet been made, will they please state why?

(b) Will Government be pleased to state what steps have been taken or are being taken for re-imbursing the Indians in Tanganyika? (*Vide* starred question No. 64 of the 31st January, 1927.)

**Mr. L. Graham:** (a) Enquiry has been made and it has been ascertained that, so far as Tanganyika is concerned, the statement made by the *African Comrade* is incorrect. It has already been decided by the Mixed Arbitral Tribunal that claims in respect of that territory are admissible under Article 297 (e) of the Treaty of Versailles read with Article 121 of the same Treaty.

(b) It is understood that offers are being made by the German authorities for the settlement of a large number of the claims in question but, as negotiations are still in progress, it is not possible to make a detailed statement.

RUNNING OF A SHUTTLE TRAIN FROM BUXAR TO MOKAMEH ON THE EAST INDIAN RAILWAY.

1042. **\*Khan Bahadur Sarfaraz Hussain Khan:** (a) Has the attention of Government been drawn to the paragraph under the caption "East Indian Railway timings" published in the *Searchlight* of the 4th March, 1927?

(b) If so, is the statement made therein correct?

(c) If so, do they propose to direct the railway authorities concerned to arrange the running of a shuttle train from Buxar to Mokameh or even to Patna as suggested in the paragraph referred to above?

**Mr. A. A. L. Parsons:** (a) No.

(b) Government have no information on the subject.

(c) It is quite impossible for Government to take any part in the arrangement of Time Tables. Copies of the question and answer are being sent to the Agent of the East Indian Railway.

REPRESENTATION OF, MUSLIMS IN THE CIVIL SERVICES IN MADRAS.

1043. \***Maulvi Sayyid Murtaza Saheb Bahadur:** (a) Do Government propose giving adequate representation to Muslims in the ensuing appointments in the Civil Services?

(b) Is it a fact that there is only one Muslim in the services in the Madras Presidency?

(c) Do Government propose to consider the claims of the Muslims wherever there is no adequate representation?

**The Honourable Sir Alexander Muddiman:** (a) and (c). I refer the Honourable Member to my announcement of the 2nd March 1925 in another place and to the answer that I gave to Maulvi Muhammad Yakub on the 24th March 1925 in this Assembly. The claims of Muslims are always considered along with those of other minority communities.

(b) No.

APPOINTMENT OF A MUSSALMAN AS A JUDGE OF THE PATNA HIGH COURT.

1044. \***Maulvi Muhammad Yakub:** (a) Is it a fact that the total strength of the Patna High Court is seven permanent and two additional Judges? Is it also a fact that out of the nine four are Indians including two Bengalis and two Bihari Hindus and none of them is a Mussalman?

(b) Are Government aware that there is a strong feeling amongst the Mussalmans of Bihar on account of there not being even a single Mussalman Judge on the Bench of their High Court?

(c) Are Government aware that notice of a Resolution on the above subject was given by a Mussalman Member of the Bihar Provincial Council which was disallowed? If not, are Government prepared to inquire and obtain the necessary information?

(d) Are Government prepared to consider the claims of the Mussalmans of Bihar when the next vacancy occurs on the Bench of the High Court of that Province?

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

(b) I am unable to say.

(c) The answer to the first part is in the negative. Government do not propose to take the action suggested in the second part.

(d) The Honourable Member is referred to the answer given to part (a) of question No. 471 asked by Khan Bahadur Saiyid Muhammad Ismail in the Legislative Assembly on the 6th March 1923 (Assembly Debates, Volume III, page 8021).

**Mr. K. C. Neogy:** May I know whether of the two Bengali Judges of the Patna High Court, one is not a Member of the Indian Civil Service belonging to the Bihar cadre?

**The Honourable Sir Alexander Muddiman:** The Honourable Member is probably better informed than I am. If he would give me his name, I could give him an answer.

**Mr. K. C. Neogy:** May I know whether the Muhammadan population in that province is less than 10 per cent., and if the same proportion were claimed by Muhammadans out of the Indian Judges at Patna, it would work out to less than half a Judge?

**The Honourable Sir Alexander Muddiman:** I must point out to the Honourable Member that High Courts are not representative institutions in which percentages of population should be represented.

**Mr. K. C. Neogy:** Is the Honourable Member further aware that two eminent Muhammadan Barristers who were appointed to the Bench of the Patna High Court found it profitable to resign and revert to the Bar?

**The Honourable Sir Alexander Muddiman:** I am aware there were two distinguished Muhammadan Judges, but why they left the Bench I cannot say.

**Mr. K. C. Neogy:** Is it a fact that cent. per cent. of the Government Advocate of the Patna High Court, Mr. Sultan Ahmed, is Muhammadan?

**The Honourable Sir Alexander Muddiman:** I should think so from his name: it sounds likely. (Laughter.)

**Maulvi Muhammad Yakub:** Are there not other Mussalman Barristers available in Bihar who are competent to become Judges of the High Court besides those whom the Honourable Member just mentioned and who refused the offer?

**The Honourable Sir Alexander Muddiman:** My Honourable friend will pardon me if I decline, in answer to a question, to enter into a consideration of the qualifications of the Patna Bar.

**Mr. K. C. Neogy:** May I know whether the Government has made any departure from the policy referred to in the answer to question No. 26 of the 15th February 1921, in which the Government of India disowned any share of responsibility in regard to these permanent appointments to the provincial High Court Benches?

**The Honourable Sir Alexander Muddiman:** Sir, there has been no departure of policy.

**Mr. K. C. Neogy:** May I draw the attention of the Honourable Member to the fact that on that occasion the Government of India declined to make any detailed statement in reply to a similar question in regard to the Madras High Court?

**The Honourable Sir Alexander Muddiman:** It may have been so. The present Leader of the House is more amiable.

#### EMPLOYMENT OF MUSSALMANS IN THE OFFICE OF THE ACCOUNTANT GENERAL, CENTRAL REVENUES.

1045. \***Maulvi Muhammad Yakub:** Will Government be pleased to state:

(a) How many clerks have been recruited in the Office of the Accountant General, Central Revenues, since 1925?

(b) How many of these permanent posts are held by the Mussal-  
mans?

- (c) Have any probationers for the Subordinate Accounts Service been taken in the same office, and if so, how many? Was any Mussalman taken as a probationer in the Subordinate Accounts Service? If not, why not?

**The Honourable Sir Basil Blackett:** I would refer the Honourable Member to the reply given by the Honourable Sir Charles Innes on the 27th January to his unstarred question No. 8, and to my reply on the 14th instant to similar questions by Mr. Abdul Haye.

PERCENTAGE OF MUSSALMAN CLERKS IN THE OFFICE OF THE AUDIT OFFICER, INDIAN STORES DEPARTMENT.

1046. \***Maulvi Muhammad Yakub:** What is the percentage of the Mussalman clerks in the office of the Audit Officer, Indian Stores Department?

**The Honourable Sir Basil Blackett:** The percentage is about 1·7.

NUMBER OF MUSSALMANS EMPLOYED IN THE GOVERNMENT OF INDIA PRESS, DELHI.

1047. \***Maulvi Muhammad Yakub:** (a) Will Government be pleased to state the total strength and the number of the Mussalman in the Correspondence, Computing, Accounts and Books Branches of the Government of India Press, Delhi, stating the grades and the pay of the Mussalman separately?

(b) What is the total strength of the men working in the Reading Branch of the Delhi Press and how many of them are Mussalman and what are their grades and monthly salary?

**The Honourable Sir Bhupendra Nath Mitra:** (a) The total strength of the branches is 29: 6 posts are held by Mussalman.

(b) The total strength of the branch is 54: 13 posts are held by Mussalman.

A statement showing the grade and present pay of each of the Mussalman in the branches in question will be sent to the Honourable Member.

GRANT OF GRATUITIES TO THE FAMILIES OF TWO EMPLOYEES OF THE GOVERNMENT OF INDIA PRESS, DELHI, KILLED IN A RECENT ACCIDENT IN THE PRESS.

1048. \***Maulvi Muhammad Yakub:** Will Government be pleased to state what gratuities, or pensions have been granted to the families of the two employees of the Government of India Press, Delhi, who were killed by the falling of a portion of the wall of the Press building on the 4th November, 1926, in the discharge of their duty?

**The Honourable Sir Bhupendra Nath Mitra:** Sums amounting to Rs. 1,650 in one case and Rs. 1,887-8 in the other case have been deposited with the Commissioner for Workmen's Compensation for distribution to the dependants of the deceased employees.

PROPOSITION STATEMENT OF THE DELHI PRESS.

1049. \***Maulvi Muhammad Yakub**: Will Government be pleased to state whether the proposition statement of the Delhi Press submitted by the Controller of Printing, Stationery and Stamps, has been accepted by Government or whether any changes to the proposed scale of pay have been made? If any changes have been made, what are they?

**The Honourable Sir Bhupendra Nath Mitra**: Modifications were made by Government in the Controller's proposals. Government do not intend to publish the latter and I regret therefore that I cannot supply the information asked for in the last part of the question.

SUCCESSFUL CANDIDATES AT THE EXAMINATION FOR THE SUBORDINATE ACCOUNTS SERVICE.

1050. \***Maulvi Muhammad Yakub**: (a) How many candidates appeared at the last examination for the selection of Subordinate Accounts Service held in November last and how many of them came out successful?

(b) From how many and which Postal Audit Offices were these candidates selected?

(c) Out of the successful candidates how many were Madrasi-Brahmins how many Madrasi non-Brahmins and how many belonging to other Provinces? Was any Mussalman amongst those who were selected?

(d) Who were the examiners for the above examination?

**The Honourable Sir Basil Blackett**: (a) 58 appeared and 13 were deemed to have reached the requisite standard.

(b) From two Postal Audit Offices, viz., Nagpur and Madras, and the Telegraph Audit Office, Calcutta.

(c) Out of the candidates, who were deemed to have reached the requisite standard, 12 were Madrasi Brahmins and one belonged to another province.

(d) As already explained in reply to question No. 213 asked on the 18th March 1924, an index number alone is shown on the papers sent to the examiners who are thus unaware of the race or nationality of each candidate. There is therefore no reason to give this information.

EXPENDITURE ON THE DEMOLITION AND RECONSTRUCTION OF THE DOMES OF THE NORTHERN BLOCK IN THE NEW DELHI SECRETARIAT.

1051. \***Mr. Varahagiri Venkata Jogiah**: (a) Why were the domes of the Northern Block in the New Delhi Secretariat constructed in 1926, during the time of the Chief Engineer, Mr. Sale, demolished?

(b) Is it because of the wrong plan given for their construction by Mr. Corrigan, the Technical Assistant?

(c) If so, was any action taken by the authorities for this negligence on his part?

(d) What was the loss sustained by the demolition and reconstruction of these domes?



**The Honourable Sir Bhupendra Nath Mitra:** (a) Presumably the Honourable Member refers to the Chattris on the North Block which were erected in 1925. They were demolished as they were not approved and it was decided to modify the design and reduce the numbers.

(b) No.

(c) Does not arise.

(d) A saving has been effected by modifying the design and reducing the numbers it was proposed to build.

**Mr. A. Rangaswami Iyengar:** May we know what has happened to the smaller dome up here?

**The Honourable Sir Bhupendra Nath Mitra:** Sir, I submit that that question does not arise.

#### RETENTION OF THE SERVICES OF MR. CORRIGAN IN THE PUBLIC WORKS DEPARTMENT, NEW DELHI.

1052. **\*Mr. Varahagiri Venkata Jogiah:** (a) Is not Mr. Corrigan an officer retired from service before 1920?

(b) Was he re-entertained in the Public Works Department of New Delhi at the age of 60 in 1920?

(c) Was an extension of service granted to him last year?

(d) If so, was the question of his negligence in giving a wrong plan for the domes and the loss which he caused to Government considered? If so, why was the extension of service sanctioned?

(e) Is it a fact that, when his extension or re-appointment came up for consideration the Accounts Officer objected to his appointment on the ground that there were no funds available for continuing the post?

(f) Is it a fact that a number of draftsmen who had put in service ranging from 6 to 14 years were discharged on the ground of reduction of establishment and funds were made available for continuing the services of Mr. Corrigan? If so, will Government be pleased to state why this was done?

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

(b) Yes.

(c) Yes.

(d) Government have no knowledge of any incident such as that referred to.

(e) The Accounts Officer pointed out that there was no budget provision for this particular appointment.

(f) A number of draftsmen have been or are being brought under reduction owing to the reorganisation of the drawing office. This reorganisation and reduction had no reference to the provision of funds for the retention of Mr. Corrigan.

#### CLASSIFICATION OF ADMINISTRATIVE AND MINISTERIAL OFFICERS OF THE POSTAL DEPARTMENT.

1053. **\*Mr. C. S. Ranga Iyer:** (1) Will Government be pleased to say if the classification of administrative and ministerial officers was revised for the Postal Department in 1916?

(2) If so, will Government please give reasons for putting the entire non-gazetted officers under ministerial irrespective of the class of work on which they are employed?

(3) Does not article 36 of the Civil Service Regulations require that classification of officers "Administrative" and "Ministerial" should be based on the nature of the work on which an officer is employed and is it not according to this rule that the subordinates in the Telegraph Branch are classified?

(4) Are not telegraphists and telegraph masters who are non-gazetted officers classed as administrative officers?

(5) Are Government prepared to reconsider the question pertaining to the Postal Department and declare all officers in selection grades as "Administrative officers"?

**The Honourable Sir Bhupendra Nath Mitra:** (1) Yes.

(2) As the non-gazetted officials of the Post Office do not perform administrative duties they were classed as ministerial.

(3) The Classification of subordinates in the Telegraph Branch is made under Fundamental Rule Number 9, Section (17), which has replaced Article Number 36, Civil Service Regulations.

(4) Telegraphists and telegraph masters are classed as non-ministerial.

(5) The question is under examination.

#### GRANT OF LICENCES TO VENDORS ON RAILWAY PLATFORMS.

1054. **\*Mr. Mukhtar Singh:** (a) Will Government be pleased to state the rules under which the vendors are given licences to sell articles on the railway platforms?

(b) Are the rules in this connection uniform on all the railways?

(c) Are the vendors charged any licensing fees? If so, how much?

**Mr. A. A. L. Parsons:** (a) and (c). The usual practice is to allow only authorised vendors to sell articles on station platforms, and they have to pay a small license fee to the railway authorities. The amount of the fee is left to Agents to decide.

(b) I cannot say if the practice I have just mentioned is uniform on all railways, but it is certainly followed on most.

#### CONTRACTS FOR THE SALE OF ARTICLES ON RAILWAY PLATFORMS ON THE BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

1055. **\*Mr. Mukhtar Singh:** Is it a fact that on the Bombay, Baroda and Central India and East Indian Railways in some of the divisions the contracts are given for the sale of articles on the railway platforms by charging a licensing fee from the contractors? If so, will Government be pleased to state the divisions wherein this practice prevails and will the Government be further pleased to state the amount charged from the contractors for giving such contracts?

**Mr. A. A. L. Parsons:** The answer to the first part of the question is in the affirmative. The fees charged for stall-keepers on the Bombay,

Baroda and Central India Railway vary from Rs. 60 to Rs. 120 per annum, except in the Bombay District where the fees range from Rs. 100 to 1,000. Itinerant vendors on station platforms pay Rs. 12 to 60. Similar information as regards the East Indian Railway is not available.

#### RECRUITMENT OF COOLIES ON THE DIFFERENT RAILWAYS.

1056. **\*Mr. Mukhtar Singh:** (a) Will Government be pleased to state the procedure adopted for the recruitment of coolies on the different railways? Is the procedure uniform on all the railways?

(b) Has the attention of Government been invited to the fact that the coolies on all the big stations such as Delhi, Cawnpore, Lucknow, Moradabad, etc., have to pay to their jamadars and other officers exorbitant sums out of their earnings and that consequently they charge much higher rates from the passengers than the sanctioned rates?

**Mr. A. A. L. Parsons:** (a) The methods of recruiting coolies vary on different railways and at different stations on the same railway; there is no stereotyped procedure.

(b) No.

#### ISSUE OF TICKETS TO THIRD CLASS PASSENGERS AT THE DELHI RAILWAY STATION.

1057. **\*Mr. Mukhtar Singh:** (a) Will Government be pleased to state the rule for the opening of the third class booking office at Delhi station?

(b) Has the attention of Government been invited to the fact that the tickets are not issued to the third class passengers at the Delhi railway station till half an hour before the departure time of the train?

(c) Are Government aware that at the Delhi station third class passengers are put to a great inconvenience in obtaining their tickets?

**Mr. A. A. L. Parsons:** (a) It is open throughout the 24 hours.

(b) No.

(c) No complaints have been received by Government to this effect.

**Mr. Gaya Prasad Singh:** Are Government aware that in the course of my budget speech last year I brought this matter to the notice of Government, but that since then no improvement has taken place in the matter of the opening of the third class booking office at Delhi railway station?

**Mr. A. A. L. Parsons:** I was unfortunately not here to hear the Honourable Member's budget speech last year.

**Mr. Gaya Prasad Singh:** Am I to take it that Government do not read the budget speeches of Honourable Members on this side of the House? (Laughter.)

#### ISSUE OF TICKETS TO THIRD CLASS PASSENGERS AT HAPUR STATION ON THE EAST INDIAN RAILWAY.

1058. **\*Mr. Mukhtar Singh:** (a) Will Government be pleased to state the instructions issued to the railway authorities at Hapur station (East Indian Railway) as regards the issuing of the tickets to third class passengers?

(b) Does the booking office for the third class passengers at Hapur station remain open for all the twenty-four hours, or is it required to be open only a few minutes before the departure time of the trains? If the booking office is not required to be open all the twenty-four hours will Government be pleased to state the average number of tickets issued daily at the Hapur station (East Indian Railway)?

(c) Do Government propose to consider the advisability of making it a rule to keep open the booking office for third class passengers at Hapur railway station?

**Mr. A. A. L. Parsons:** (a) The Honourable Member is referred to paragraph 76(b) of the East Indian Railway Time Table and Guide in force from March 1927.

(b) The booking for all classes of passengers at Hapur station is open from 6 to 18 hours daily. The average number of tickets issued daily at Hapur station is not known.

(c) The question of what hours booking offices at particular stations should remain open must necessarily be left to the Agent.

NUMBER OF STUDENTS AT THE ROYAL MILITARY COLLEGE AT  
DEHRA DUN.

1059. **\*Mr. Mukhtar Singh:** (a) Will Government be pleased to state the number of students at the Royal Military College at Dehra Dun?

(b) How many of these students are Hindus and how many of them are Mahomedans?

(c) What arrangement is made for teaching Urdu and Hindi to the students of this College?

(d) Are the students required to take up Hindi or Urdu as one of the subjects for their examinations?

(e) How many teachers are employed to teach Hindi to the students who want to take up this vernacular as their subject for the examination?

**Mr. G. M. Young:** (a) The number on the 1st March 1927 was 78.

(b) Hindus 21; Muhammadans 26.

(c) Competent teachers of both languages are employed.

(d) In the College examinations Urdu is an obligatory subject and Hindi is optional.

(e) Two.

WEEK-END CONCESSION TICKETS ON THE EAST INDIAN RAILWAY.

1060. **\*Mr. Mukhtar Singh:** (a) Will Government be pleased to state the rules for the issuing of week-end concession tickets on the East Indian Railway?

(b) Are these tickets issued on Sundays as well?

(c) Is it not a fact that a large number of people do not enjoy this privilege as the tickets are not available on Sundays?

(d) Do Government propose to consider the advisability of issuing week-end tickets on Sundays as well?

**Mr. A. A. L. Parsons:** (a) and (b). The Honourable Member is referred to pages XVII<sub>d</sub> and XVI<sub>e</sub> of the East Indian Railway Time Table.

(c) Government have no information on the subject.

(d) This is a matter within the competence of the Agent, East Indian, Railway, and Government do not propose to take the action suggested in the Honourable Member's question.

#### PURCHASE OF COAL FOR STATE RAILWAYS.

1061. **\*Khan Bahadur Sarfaraz Hussain Khan:** (a) Is it a fact that coal for Indian State Railways is purchased mostly from British firms?

(b) If the answer to part (a) is in the affirmative, will they be pleased to state the reasons for this preference?

(c) If the answer to part (a) is in the negative, will they be pleased to state the names of all the firms from which coal has been purchased during the last three years?

**Mr. A. A. L. Parsons:** (a) and (b). I would refer the Honourable Member to the reply which I gave to starred question No. 409, on the 15th February 1927.

(c) The details are now published in the Indian Trade Journal. Those for 1926-27 and 1927-1928 will be found in the issues of 11th February, 1926, and 24th February, 1927, respectively. Special arrangements were made for our supplies for 1925-1926.

#### COST OF ALTERATIONS TO THE AMERICAN WAGONS PURCHASED IN 1918 FOR INDIAN RAILWAYS.

1062. **\*Khan Bahadur Sarfaraz Hussain Khan:** (a) Is it a fact that Messrs. Burn and Co., Ltd., Howrah, were given an advance of a crore of rupees for carrying out certain alterations to the American wagons purchased by the Secretary of State in 1918 for Indian Railways?

(b) Have the Government obtained the information as promised in reply to a question on the 15th February, 1927, as to the original and the final estimates of the cost of alterations to those wagons?

(c) If not, when do they expect to obtain particulars?

**Mr. A. A. L. Parsons:** (a) No.

(b) and (c). The Government hope to obtain the information by the end of this month.

#### COST OF VARIOUS TYPES OF CARRIAGES IN USE ON THE RAILWAYS.

1063. **\*Khan Bahadur Sarfaraz Hussain Khan:** Will Government be pleased to state the cost of construction in 1925-26 :

(a) of a completely furnished first class railway carriage,

(b) of a fully furnished second class railway carriage,

(c) of a fully equipped intermediate class railway carriage, and

(d) of a fully equipped third class railway carriage,

that ply on each of the broad gauge railways and the metre gauge lines in India?

**Mr. A. A. L. Parsons:** I am having such information as is available in the Railway Board's office collected and will send it to the Honourable Member when it is ready.

**EXPENDITURE ON THE RECONSTRUCTION OF RAILWAY STATIONS ON STATE RAILWAYS.**

1064. **\*Khan Bahadur Sarfaraz Hussain Khan:** (a) Will Government be pleased to state the number of main or important railway station buildings on State Railways that have been or are being demolished for erecting new buildings in their place and the total amount of cost involved in such reconstructions?

(b) Will they further be pleased to state the reasons for such reconstruction in each case, with the dates as to when such stations were originally built?

**Mr. A. A. L. Parsons:** (a) and (b). The information is not readily available and Government do not consider it advisable to put the State Railway Administrations to the labour and trouble of compiling it.

**GUARANTEE FUND, EAST INDIAN RAILWAY.**

1065. **\*Lieut.-Colonel H. A. J. Gidney:** Will Government be pleased to state whether the East Indian Railway prior to 1925 had a Fund called the Guarantee Fund? If so, will Government please state:

(a) what are the objects of the Fund,

(b) the amount of monies held by the Fund on 31st December, 1924, and

(c) how such monies are disposed of?

**AMOUNTS UTILISED FOR REIMBURSEMENTS FOR LOSSES FROM THE GUARANTEE FUND, EAST INDIAN RAILWAY.**

1066. **\*Lieut.-Colonel H. A. J. Gidney:** Is it the primary object of the Guarantee Fund to reimburse the Railway against losses suffered by it caused through misdemeanour, neglect or any other cause provided for in the rules of the Fund? If so, will Government please state:

(a) what sums of money have been utilised for purposes of such reimbursements during the year 1924?

(b) what were the specific cases in which losses were suffered by the Railway and if such cases were taken to Court and the culprits punished before reimbursements were made?

(c) whether such culprits were members of the Guarantee Fund?

**PROCEDURE FOLLOWED BY THE EAST INDIAN RAILWAY IN REIMBURSING ITSELF FOR LOSSES CAUSED BY THE STAFF.**

1067. **\*Lieut.-Colonel H. A. J. Gidney:** In a case where the Railway alleges having suffered losses caused by its staff who are members of the Guarantee Fund, will Government please state:

(a) whether the railway punishes such members by deducting half the amount of their Provident Fund subscriptions and transferring the same to the Fine Fund instead of applying the

Funds of the Guarantee Fund to reimburse it against the alleged losses?

- (b) whether such punishment is inflicted with a view to recovering more than the amount of the alleged losses;
- (c) what the total amount deducted from the Provident Fund monies of the six dismissed men in the cotton waste case was; and
- (d) what the exact value of the alleged losses in the cotton waste case was?

PROCEDURE FOLLOWED BY THE EAST INDIAN RAILWAY IN REIMBURSING ITSELF FOR LOSSES CAUSED BY THE STAFF.

1068. \***Lieut.-Colonel H. A. J. Gidney**: Is it a fact that such deduction from the members, Provident Fund amounts are transferred to the Fine Fund? If so, under what legal authority is this done?

SUBSCRIPTIONS TO THE GUARANTEE FUND FROM THE EMPLOYEES OF THE EAST INDIAN RAILWAY.

1069. \***Lieut.-Colonel H. A. J. Gidney**: Will Government please state the exact month for which the subscriptions to the Guarantee Fund were deducted from the East Indian Railway employees' salaries for the year 1924, and whether the dividends payable to its members were paid to such employees who were dismissed during 1924 after having deducted their subscriptions for 1924? If not, why not?

THE GUARANTEE FUND, EAST INDIAN RAILWAY.

1070. \***Lieut.-Colonel H. A. J. Gidney**: (a) Since the East Indian Railway has become a State Railway, does the Guarantee Fund still operate? If not, will Government please state how the monies of the Fund have been disposed of and the exact amount accounted for?

(b) If in existence, what was the total amount standing to its credit at the end of 1925 and did the East Indian Railway reimburse itself from this Fund for the loss suffered by it in the matter of the alleged fraud in the Lowinoor iron case, when two high officials were dismissed?

(c) What was the total amount deducted from the Provident Fund of these two high officials and how does it compare with the actual loss suffered by the Railway in this case?

**Mr. A. A. L. Parsons**: I propose, with your permission, Sir, to answer questions Nos. 1065 to 1070 together.

The information is being collected and will be supplied to the Honourable Member in due course.

**Lieut.-Colonel H. A. J. Gidney**: Does the Honourable Member require more than the stipulated ten days' notice to answer questions?

**Mr. A. A. L. Parsons**: I require in this case more than ten days to collect all the information for which the Honourable Member has asked.

**Maulvi Muhammad Yakub**: Is it the case that Government want more time to give replies to questions when they consider that replies are not convenient?

**Mr. A. A. L. Parsons:** I think it is very rarely that the Government of India consider that a reply is not convenient.

**Lieut.-Colonel H. A. J. Gidney:** May I ask the Honourable Member if he will inform me whether I can get a reply before this House disassembles?

AMALGAMATION OF THE PUBLIC WORKS BRANCH WITH THE DEPARTMENT OF INDUSTRIES AND LABOUR.

1071. **\*Mr. M. Yusuf Imam:** (a) Will Government be pleased to give the number of receipts and issues for three months from June to August 1926 of the work done in each section of the Public Works Branch of the Department of Industries and Labour and also the number of men employed for their disposal?

(b) Is it a fact that there are two cashiers for distributing the pay of about 25 men and 2 officers; if so, do Government propose to abolish one of the posts?

(c) Is it a fact that the Budget work of the Public Works Branch which was previously done by two men only is now being done by a Superintendent and four Assistants?

(d) Is it a fact that owing to the Reforms a great deal of work has been diminished?

(e) Is it a fact that one Assistant Secretary is employed for the performance of the Budget work, and if so, what work does he do when the Budget is over?

(f) Is it a fact that the payment of bills for publications and the distribution of stationery is being done by the Department of Industries and Labour?

(g) Will Government be pleased to state whether they intend to amalgamate the Public Works Branch with the Department of Industries and Labour and abolish the post of the Assistant Secretary, a Superintendent and a cashier and thus relieve the tax-payer of the burden of the sum of Rs. 1,800 per mensem?

**The Honourable Sir Bhupendra Nath Mitra:** (a) The Public Works Branch of the Department of Industries and Labour comprises three regular sections, viz., Works, Establishments, and Accounts and General, and the number of receipts and issues in each of these sections during the period June to August 1926 was as follows:

	Receipts.	Issues.
Works . . . . .	538	275
Establishments . . . . .	500	489
Accounts and General . . . . .	816	669
Total . . . . .	1,854	1,433

The number of men employed for their disposal was 30.

(b) A cashier and assistant cashier are employed. They have many duties besides that of disbursing pay, and Government do not, for the present, propose to abolish either post.

(c) No.



(d) There have been certain reductions in work owing to the introduction of the Reforms, in consequence of which the Public Works Department was reduced to a branch of the Industries and Labour Department and the number of sections from 5 to 8.

(e) No.

(f) Yes, but in the case of bills for publications these are first passed by the Public Works Branch.

(g) The question of amalgamation is receiving consideration.

**EXTENSION OF SERVICE GRANTED TO MR. C. H. WITHERS, FOREMAN  
ELECTRICAL DEPARTMENT, CARRIAGE AND WAGON, MOGHULPURA,  
NORTH WESTERN RAILWAY.**

1072. \***Lieut.-Colonel H. A. J. Gidney:** (1) Will Government be pleased to state whether the 55 years retiring age limit is applicable alike to consolidated and daily paid staff in the State Railways?

(2) Are Government aware that at an official meeting held on 18th December, 1925, in the office of the Agent, North Western Railway, it was decided that no extension of service beyond the age of 55 years is to be given to any staff other than menial or daily rated workshop staff?

(3) Are Government aware that such a decision on the part of the Agent is contrary to the Fundamental Rules which bear the seal of approval of the Government of India?

(4) Will Government please state whether, when extensions of service to meet the exigencies of the Railway are given to monthly paid staff as was done in the case of Mr. C. H. Withers, Foreman, Electrical Department, Carriage and Wagon, Moghulpura, these employees forfeit all claims to leave and furlough which in Mr. Withers' case amounted to 15 months' furlough, 3 months' war bonus leave and six months' recognised leave prior to retirement? If so, what is the period of compensatory extension of service? What was the period of extension granted to Mr. Withers?

(5) Did the Electrical Engineer strongly recommend further extension of service in Mr. Withers' case?

(6) Are Government prepared to consider the question of giving Mr. Withers a "compensation gratuity" as is being done on the East Indian Railway?

**Mr. A. A. L. Parsons:** Government have no information with regard to the individual case of Mr. Withers which is mentioned by the Honourable Member, and do not propose to take any action with regard to it. As a general rule, and apart from any specific provisions contained in a service contract, the Fundamental Rules, including rule 56 which deals with superannuation, apply to monthly rated employees on the North Western Railway. Under rule 86 of those rules no leave can extend more than six months beyond the date on which a Government servant must compulsorily retire, or, if he is granted an extension of service, more than six months beyond the date on which he ceases to discharge his duties. In any case, it is entirely within the competence of the Agent to determine whether extensions should be granted after the age of 55, or what leave should be granted to an officer whose service has been extended.

**Lieut.-Colonel H. A. J. Gidney:** Will the Honourable Member please inform me whether he countenances any action on the part of the Agent which is contrary to or against the Fundamental Rules?

**Mr. A. A. L. Parsons:** I should not countenance action taken by an Agent contrary to the Fundamental Rules where they apply.

**Lieut.-Colonel H. A. J. Gidney:** Does the Honourable Member admit that the Fundamental rules apply in this case? That is the specific part of my question, the crux of the whole matter.

**Mr. A. A. L. Parsons:** I have already informed the Honourable Member that Government have no information with regard to this individual case.

**Lieut.-Colonel H. A. J. Gidney:** Will Government kindly get information on the case?

**Mr. A. A. L. Parsons:** No, Sir.

**Lieut.-Colonel H. A. J. Gidney:** Why not, Sir?

**Mr. A. A. L. Parsons:** On the facts stated by the Honourable Member I see no reason why Government should call for information; for I see no reason to believe that there has been any action on the part of the Agent of the North-Western Railway which requires interference on our part.

**Lieut.-Colonel H. A. J. Gidney:** I am awfully sorry, Sir, to ask another supplementary question, but the Honourable Member, I must say, has evaded my question. He has not given me any reply to it. When I ask a question, Sir, I expect a reply.

**Mr. K. Ahmed:** In view of the fact that the Government of India from time to time, Sir, from 1921, since I came to this Assembly, have been putting off Members by not giving sufficient answers to questions relating to the Railway Department, do Government propose now, for the benefit of the country, to bring in the Agents here to reply to questions put by Honourable Members? (No reply was given.)

**Mr. K. Ahmed:** Another question, Sir. In view of the fact also that the Government of India are unable to answer certain questions regarding Railways on the pretext, or on the ground, that the Agents are not here and they are not able to answer those questions themselves, do Government propose now to state under what authority or the provisions of law, or rules and Standing Orders of this Assembly, Honourable Members are debarred from getting the answers to which they are entitled?

**Lieut.-Colonel H. A. J. Gidney:** May I again also ask the Honourable Member to reply to my supplementary question? I am awaiting a reply.

**Mr. A. A. L. Parsons:** To which supplementary question does the Honourable Member require a reply?

**Lieut.-Colonel H. A. J. Gidney:** I see there is no use asking any more questions; I am sorry, for I can see the Honourable Member cannot reply to them.

**CASE OF POSTAL RECRUITED TELEGRAPHISTS. •**

1073. \***Lieut.-Colonel H. A. J. Gidney**: (1) With reference to the Honourable Member's answer to my question No. 508, dated 18th February, 1927, is the Honourable Member aware that the postal recruited telegraphists did not volunteer to transfer themselves from the Postal to the Telegraph Department, but responded to Government's call when they were considering the amalgamation of the Post and Telegraph Departments?

(2) Is it not a fact that these loyal servants who have had, in many cases, more than 10 years' service in the Postal Department are compelled to wait for another 15 years to reach their efficiency bar in the Telegraph Department, and to appear for their efficiency bar test at the old age of well over 40 years?

(8) Are Government prepared to reconsider their decision and remedy this grievance of these servants of the State?

**The Honourable Sir Bhupendra Nath Mitra**: (1) It is not a fact that the postal recruited telegraphists "did not volunteer" for transfer to the Telegraph Department. In notifying the revised rules in 1918 for recruitment to the Local Service, the Director-General, Posts and Telegraphs, made it known that postal signallers were eligible for transfer to the Telegraph Department on certain conditions which were clearly defined. It was laid down that the selection of suitable postal hands was to be made from those who "desired" a transfer to the Telegraph Department. There was thus no "call" for men and selection was made only when vacancies occurred in the Local Scale of the Department.

(2) Yes, but under the existing rules telegraphists in the General or Local Service reach the efficiency bar at the end of fifteen years' service; while a Station Service telegraphist becomes due to pass the efficiency bar at the end of ten years' service and no relaxation of rules can be made in favour of postal recruited telegraphists.

(3) Government have recently reconsidered the matter but found no justification for modifying the previous orders.

**Lieut.-Colonel H. A. J. Gidney**: Will the Honourable Member kindly inform me whether at that time there was an urgent need for extra telegraphists or not and these men responded to that urgency?

**The Honourable Sir Bhupendra Nath Mitra**: The answer is in the negative. I may for the information of the Honourable Member and of the House state that the decision of Government was based on the recommendation of a Committee of which my Honourable and gallant friend was a member.

**INCLUSION OF ECONOMICS AND HISTORY AS QUALIFYING SUBJECTS FOR  
THE EXAMINATION FOR THE SUPERIOR TRAFFIC AND COMMERCIAL  
BRANCHES OF THE STATE RAILWAYS.**

1074. \***Lieut.-Colonel H. A. J. Gidney**: With reference to the Superior Traffic and Commercial Branches of the State Railways, will Government be pleased to state whether besides a degree in Science, Economics and History will be accepted as qualifying for this Examination? If not, why not?

**The Honourable Sir Charles Innes:** The Honourable Member is referred to part (f) of the reply given to Mr. C. S. Rangá Iyer's question No. 170 on the 1st March, 1927.

**Sir Hari Singh Gour:** Question No. 1075.

**Sir Walter Willson:** On a point of order, Sir. Should not the Honourable Member rise when he puts a question?

**Mr. President:** I would ask the Honourable Member to rise when he puts a question.

**Sir Hari Singh Gour:** I did, Sir,—twice.

SEPARATE ESTABLISHMENT FOR THE LEGISLATIVE ASSEMBLY.

1075. **\*Sir Hari Singh Gour:** (a) Are Government aware of the inconvenience to which Members of the Legislative Assembly are put owing to the fact that the Assembly has no separate Department of its own?

(b) Will Government be pleased to state when they propose to separate the Department relating to the Assembly from that of the Legislative Department?

**Mr. L. Graham:** (a) Government are not aware that any inconvenience has been felt.

(b) The Honourable Member's attention is invited to the first part of the reply given on the 16th instant to Sardar Gulab Singh's question on the subject.

QUALIFICATIONS FOR PILOTS, HARBOUR MASTERS, ASSISTANT HARBOUR MASTERS, ETC.

1076. **\*Mr. Jamnadas M. Mehta:** (1) Will Government be pleased to state if a certificate of competency as master is necessary for any one who wishes to enter the Pilot Service at Bombay, Karachi, Calcutta, Rangoon, Madras and at other Indian ports where pilots are appointed?

(2) Will Government be pleased to state the qualifications necessary for the posts of Harbour Masters, Assistant Harbour Masters, Dock Masters, Assistant Dock Masters, and Berthing Masters appointed by the various Port Trusts in India?

(3) Will Government be pleased to state the total number of each of the following officers at the ports in India giving separate figures for Indian and non-Indian officers?

- (a) Shipping Masters.
- (b) Port Officers.
- (c) Pilots.
- (d) Dock Masters.
- (e) Harbour Masters.
- (f) Assistant Dock Masters.
- (g) Assistant Harbour Masters.
- (h) Berthing Masters.

(4) Will Government be pleased to state the steps that they propose to take for the training of engineer officers for steamers?

(5) Will Government be pleased to state when they propose to take action on the recommendation of the Indian Mercantile Marine Committee

in connection with the reservation of the coasting trade of India to Indian shipping?

**The Honourable Sir Charles Innes:** (1) A certificate of competency as master is necessary for anyone who wishes to enter the pilot service at Bombay, Karachi and Rangoon. It is not necessary at Calcutta, where officers are first appointed to the Bengal Pilot Service as leadsmen apprentices. There is no pilot service at Madras. At other ports the practice varies.

(2) Different qualifications are required by different Port Trusts. Generally speaking, the essential qualification is sea experience, and in the case of Harbour Masters and Assistant Harbour Masters a certificate of competency as master is ordinarily required.

(3) I am having a statement compiled, and will send it to the Honourable Member in due course.

(4) The question is under consideration.

(5) I would refer the Honourable Member to the debate in this House on the 19th March last year on Sir Sivaswamy Aiyer's Resolution on the recommendations of the Indian Mercantile Marine Committee.

**Mr. Jamnadas M. Mehta:** With regard to the answer to part 3 of my question, I think the Government gave a similar reply to Mr. B. Das two or three years ago, that a statement was being prepared. I do not know whether that statement has since been prepared and sent to Mr. Das. I do not want the statement for my personal use, but I want it to be placed on the table.

**The Honourable Sir Charles Innes:** The answer to the first part of the question is, I think Mr. B. Das is the best person to whom this question should be put.

As regards the second part, we prefer not to lay these answers on the table because of the expense of printing, and I should prefer to send the statement to the Honourable Member if he desires it.

**Mr. Sarabhai Nemchand Hajl:** With reference to the answer to part 5 of this question, may I know, if the opinions which the Honourable the Commerce Member expressed last year were the opinions of his Department or of the Government of India?

**The Honourable Sir Charles Innes:** The Honourable Member knows perfectly well that when the Commerce Member speaks in this House he speaks for the Government of India.

#### APPOINTMENT OF QUALIFIED SECOND DIVISION CANDIDATES TO THE FIRST DIVISION IN THE GOVERNMENT OF INDIA SECRETARIAT.

1077. **\*Mr. Jamnadas M. Mehta:** Will Government state whether:

- (a) Is it a fact that there are a few permanent employees in the second division of the Government of India Secretariat establishment who have qualified for the first division by passing the first division test of the late Staff Selection Board, but have not yet been absorbed in that division in their own Departments owing to absence of vacancies?

- (b) It is a fact that there are Departments where there is not a single man of the second division who has qualified himself by passing the first division test and there are others where there is a large number of such men?
- (c) It is a fact that, in spite of the existence of a large number of such candidates in the Home Department, the Department of Education, Health and Lands and several other Departments, the Staff Selection Board recommended fresh second division passed recruits for filling the appointments of the first division in some Departments?
- (d) It is a fact that, in the beginning of the last year, two men were recruited in the Finance Department through the late Staff Selection Board for first division appointments but who were only qualified for the second division and not for the first division?

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

(b) I am aware of one such Department only.

(c) The Honourable Member is referred to the reply given on the 1st March to Mr. Gaya Prasad Singh's question No. 679.

(d) The two men in question had secured marks up to the upper division standard. They have since been declared to be eligible for the upper division on the recommendation of the Public Service Commission.

**RECRUITMENT BY THE FINANCE DEPARTMENT OF TWO SECOND DIVISION QUALIFIED MEN IN THE FIRST DIVISION.**

1078. **\*Mr. Jamnadas M. Mehta:** (a) Will Government be pleased to state the reasons why the two second division qualified men were recruited by the Finance Department in the first division when other candidates who have passed for the first division were available in the other Departments of the Government of India Secretariats? Is it a fact that at the time of the recruitment of those two candidates the Finance Department had a rule or a convention to the effect that those men who are permanent in the second division of other Departments but are qualified by the late Staff Selection Board for the upper division would not be recruited in the first division vacancies of that department?

(b) Will Government be pleased to state the year when that rule or convention was made and whether it was made with the knowledge and permission of the Honourable Member for Finance or of his Secretary? If the answer be in the negative, then who introduced it and in what year?

(c) Will Government be pleased to state whether towards the end of the same year, i.e., 1926, the same rule or convention was done away with in favour of certain departmental candidates from the Home Department and other Departments, and, if so, what were the reasons for so doing?

(d) Is it a fact that such Departmental candidates who passed the first division test of the late Staff Selection Board as far back as 1920, are still unprovided with such appointments? If so, do Government propose to consider these small number of cases favourably, and do they propose to ask the Public Service Commission to devise means for their early absorption in the first division before any outsider is recruited in the first division vacancies of the different Departments of the Government of India Secretariat?

**The Honourable Sir Basil Blackett:** (a) The men were up to the upper division standard, and the Public Service Commission have since declared them as qualified for that division without further examination. They were taken in pursuance of the rule referred to by the Honourable Member.

(b) The papers have not been preserved; but the rule is an old one.

(c) The rule had to be relaxed in the cases referred to as no suitable candidates possessing the qualifications required by it were available.

(d) I would invite attention to the answer given by the Honourable Sir Alexander Muddiman on 14th March, 1927 to a similar question by Mr. Ranga Iyer.

**EMPLOYMENT OF THE TAX COLLECTOR IN THE OFFICE OF THE EXECUTIVE OFFICER, BARODA CANTONMENT, TO PREPARE AN ASSESSMENT LIST IN TERMS OF SECTION 72 OF ACT II OF 1924.**

1079. **\*Mr. Jamnadas M. Mehta:** (a) Is it a fact that the Cantonment Authority at Baroda has had an assessment list prepared in terms of section 72 of Act II of 1924 and that the assessment list as prepared in 1926, was made by the Tax Collector in the office of the Executive Officer, Baroda Cantonment?

(b) If the answer to this question is in the affirmative, will Government be pleased to say whether assessment and collection of taxes are not treated as two distinct functions?

(c) If the answer to the above is in the affirmative, will Government be pleased to state why the Tax Collector was employed to prepare the assessment list?

**PRINCIPLES FOR VALUATION AND ASSESSMENT IN THE BARODA CANTONMENT.**

1081. **\*Mr. Jamnadas M. Mehta:** Will Government be pleased to say whether in terms of section 66 of Act II of 1924, the Local Government for Baroda Cantonment has prescribed any forms or rules for the guidance of the assessor, laying down the principles upon which the valuation and assessment are to be based, with a view to secure uniformity and correctness of valuation throughout?

**ANNUAL RENT OF HOUSES IN BARODA CANTONMENT.**

1082. **\*Mr. Jamnadas M. Mehta:** (a) Are Government aware that a resolution passed by the Cantonment Committee in violation of a regulation laid down by the Supreme Government in respect of the Baroda Cantonment Taxation Regulations contained in Notification No. 664, dated 14th December, 1882, and published in the *Bombay Government Gazette*, Part I, had to receive the sanction of the Government of India before it could be put into force?

(b) If the answer to the above is in the affirmative, will Government be pleased to say whether sanction in respect of resolution No. 10, passed by the Cantonment Board on 20th February, 1918, at Baroda Camp, authorising the Cantonment authorities to fix the annual rent of houses at 10 per cent. of the valuation, was obtained?

(c) If the answer to the above is in the negative, are Government prepared to refuse sanction to the above-mentioned resolution?

**Mr. G. M. Young:** With your permission, Sir, I propose to answer starred questions Nos. 1079, 1081 and 1082 together.

I am making inquiries and will let the Honourable Member know the result as soon as possible.

**FUNCTIONS OF THE ASSESSMENT COMMITTEE APPOINTED BY THE CANTONMENT AUTHORITY UNDER SECTION 68 (3) OF ACT II OF 1924.**

1080. **\*Mr. Jamnadas M. Mehta:** Are Government prepared to say what the functions are of the Assessment Committee appointed by the Cantonment authority under section 68, sub-section (3), of Act II of 1924?

**Mr. G. M. Young:** The functions are laid down in the sub-section referred to by the Honourable Member and in section 69.

**RETRENCHMENT OF EXPENDITURE IN BARODA CANTONMENT.**

1083. **\*Mr. Jamnadas M. Mehta:** (a) Are Government aware (i) that the Baroda Cantonment at present has a population (civil) of about 2,455 and (ii) that the total net receipts of the Cantonment Fund amount to Rs. 18,650, and (iii) that the aggregate charges of general administration and collection of revenue come to Rs. 5,400, and absorb nearly one-third of the net receipts?

(b) Are Government aware that the charges on general administration and collection of revenue together of the Ambala Cantonment bear a ratio of 11 per cent. of the total receipts while that of Baroda is three times higher?

(c) Are Government aware that the larger part of this expenditure is in connection with the salaries of the office staff?

(d) Do Government propose to direct the Cantonment authority at Baroda to make retrenchment in the office staff and in office expenditure as well?

**Mr. G. M. Young:** (a), (b), (c) and (d). The Honourable Member is referred to the answer given by my predecessor on the 31st August, 1926, to Khan Bahadur Hussanally's question No. 263.

The expenditure on general administration and collections of revenue in Ambala is between 13 per cent. and 14 per cent. of the total receipts and not 11 per cent. In Baroda it is about 28 per cent., and not 33 per cent. The Ambala figures do not include the pay of the Executive Officer which is paid by Government and amounts to Rs. 20,000 per annum and in any case the percentage in a very small cantonment like Baroda is bound to be higher than in a large one.

**EXEMPTION OF GRAIN FROM OCTROI DUTY IN BARODA CANTONMENT.**

1084. **\*Mr. Jamnadas M. Mehta:** Are Government aware that till November, 1925, grain of all sorts was exempted from octroi duty in the Baroda Cantonment, and that since then grain has been included in the schedule of articles liable to octroi duty and that this has become a great hardship to the poorer classes of the population? Do Government propose to take steps to exempt grain from the octroi duty, as was the case before?

**Mr. G. M. Young:** Government are aware that octroi duty at the rate of one anna a maund has been imposed upon grains of all sorts entering



the Baroda Cantonment, with effect from the 16th November, 1925, under the Resident of Baroda's Notification, dated the 10th December, 1925. The matter is within the discretion of the Resident, to whom, however, a copy of my Honourable friend's question and of this reply, will be sent.

EMPLOYMENT OF QUALIFIED STATE VETERINARY SCHOLARS IN THE  
INDIAN CIVIL VETERINARY DEPARTMENT.

1085. \*Mr. Harchandrai Vishindas: (1) Will Government be pleased to state if any scholars were selected in 1921, for visiting the United Kingdom for acquiring Veterinary Diplomas, making them eligible for appointment to the Imperial Branch of the Indian Civil Veterinary Department?

(2) If so, is it a fact that one of the terms on which they accepted the scholarship was, that they would be "required on qualifying for appointment to the Indian Civil Veterinary Department, to sign articles of agreement setting forth the terms and conditions of their appointment"?

(3) Is it a fact, that in spite of this, the scholars who qualified themselves as required by Government were not given such articles of agreement for signature?

(4) If so, why?

(5) Is it a fact that Government have replied to the scholars, who have returned long after qualifying themselves in the requisite test, that the Department having been transferred to the Local Governments, representation may be made to the latter direct?

(6) Have the Central Government themselves issued the necessary instructions to Local Governments to recognise the claims of the said scholars? If so, with what result?

EMPLOYMENT OF QUALIFIED STATE VETERINARY SCHOLARS IN THE  
INDIAN CIVIL VETERINARY DEPARTMENT.

1086. \*Mr. Harchandrai Vishindas: (a) Is it a fact that the limit of the appointment by the Local Governments is restricted to Rs. 250, and that the starting pay of the scholars in question under the scale provided in the Regulations for the grant of State Scholarships is Rs. 350?

(b) If so, what steps have Government taken or intend taking for the employment of these scholars?

EMPLOYMENT OF QUALIFIED STATE VETERINARY SCHOLARS IN THE  
INDIAN CIVIL VETERINARY DEPARTMENT.

1087. \*Mr. Harchandrai Vishindas: (1) Is it a fact that one of the terms on which these scholars accepted the scholarship was, that "on their obtaining the diploma of the Royal College of Veterinary Surgeons, and undergoing successfully the prescribed post-graduate course, they will be given preferential claim to employment in the Indian Civil Veterinary Department"?

(2) If so, is it a fact that the Punjab and the Bengal Governments have appointed non-scholars in spite of the applications of the scholars above-mentioned pending before them, and in spite of one of the scholars having passed the B. Sc. Examination in Veterinary Science of the London University?

(3) If so, will Government be pleased to state what provision Government intend to make for those scholars who relied on the explicit undertaking of the Government to employ them on their qualifying themselves?

**Mr. J. W. Bhore:** With your permission, Sir, I should like to reply to questions Nos. 1085, 1086 and 1087 together.

The attention of the Honourable Member is invited to the answer given by me on 18th August, 1926, to his question No. 76 which he has now repeated in almost identical terms. Government have nothing to add to the replies then given.

APPOINTMENTS IN THE TRAFFIC BRANCH OF THE RAILWAY SERVICE.

1088. **\*Mr. Harchandrai Vishindas:** (1) Will Government be pleased to state how many candidates who sat at the last railway examination held by the Public Service Commission were appointed in the Traffic Branch of the railway service, who were neither graduates of Engineering nor of Science?

(2) How many of the candidates who were neither Engineering nor Science graduates but who had practical training on British railways were admitted to the examination and how many were successful?

**Mr. A. A. L. Parsons:** (1) Two of the six candidates appointed are graduates neither of Science nor of Engineering.

(2) Three candidates who were neither Science nor Engineering graduates but had practical experience on British railways were admitted to the examination. None were successful.

CLASSIFICATION OF ADMINISTRATIVE AND MINISTERIAL OFFICERS OF THE POSTAL DEPARTMENT.

1089. **\*Mr. D. V. Belvi:** (a) Will Government be pleased to say if the classification of administrative and ministerial officers was revised for the Postal Department in 1918?

(b) If so, will Government please give reasons for putting the entire non-gazetted officers under "Ministerial" irrespective of the class of work on which they are employed?

CLASSIFICATION OF ADMINISTRATIVE AND MINISTERIAL OFFICERS OF THE POSTAL DEPARTMENT.

1090. **\*Mr. D. V. Belvi:** (a) Does article 36 of the Civil Service Regulations require that classification of officers "Administrative" and "Ministerial" should be based on the nature of the work on which an officer is employed and is it not according to this rule that the subordinates in the Telegraph Branch are classified?

(b) Are not telegraphists and telegraph masters who are non-gazetted officers classed as administrative officers?

(c) Are Government prepared to reconsider the question of declaring all officers in selection grades of the Postal Department as "Administrative officers"?

**The Honourable Sir Bhupendra Nath Mitra:** With your permission, Sir, I will deal with questions Nos. 1089 and 1090 together; and invite the Honourable Member's attention to the reply given to-day to Mr. C. S. Ranga Iyer's starred question No. 1053 on the same subject.

SEPARATE STAFF FOR THE LEGISLATIVE ASSEMBLY.

1091. **\*Dr. B. S. Moonje:** Will Government be pleased to state if they have come to any decision regarding the desirability of separating the staff of the Legislative Assembly from that of the Legislative Department?

**Mr. L. Graham:** The Honourable Member's attention is invited to the first part of the reply given on the 16th instant to Sardar Gulab Singh's question on the subject.

SUPPLY, FREE OF CHARGE, OF ASSESSMENT ORDERS IN RESPECT OF INCOME-TAX TO ASSESSEES IN DELHI.

1092. **\*Mr. Fazal Ibrahim Rahimtulla:** (a) Are Government aware that copies of assessment orders in respect of income-tax are not given to the assessee at Delhi, free of charge, as provided for in paragraph 73 of the Income-tax Manual, 1925?

(b) Do Government propose to make inquiries and take suitable steps to see that the Income-tax Department does not commit any more breach?

(c) Is it a fact that copying fees are charged in respect of such assessment copies?

(d) Will Government be pleased to state the amount of such copying fees realized every year since 1922?

**The Honourable Sir Basil Blackett:** The Government have not the requisite information on this subject. They will make enquiries and communicate the result to the Honourable Member. At the same time I would point out that though copying fees should not be charged for copies of assessment orders, and though such orders are exempt from court fees when required merely for the personal use of the assessee, they are not exempt from court fees when required to be filed as exhibits—for example in appeal.

DEDUCTION OF INTEREST ON MORTGAGE PERMISSIBLE UNDER SECTION 9 (I) (iv) OF THE INCOME-TAX ACT, 1922.

1093. **\*Mr. Fazal Ibrahim Rahimtulla:** (a) Are Government aware that the deduction of interest on mortgage permissible under section 9 (I) (iv) of the Indian Income-tax Act, 1922, is not allowed to assessee before actual payment?

(b) Is it a fact that the charge of interest continues on the property irrespective of payment?

(c) Is it a fact that income-tax is levied on the annual value of the property and not its income, and that there are decided English cases to the effect that the actual rental value is the rental value minus interest?

(d) Do Government propose to issue instructions that the interest should be allowed on production of the copy of mortgage deed?

**The Honourable Sir Basil Blackett:** (a) to (d). Some doubt has been felt as to the correct procedure in regard to this matter. The question was therefore referred by one Commissioner of Income-tax to a High Court. The Government understand that a decision was recently pronounced. When a copy of it is received orders will be issued in accordance with it.

**ALLOWANCE OF BAD DEBTS ARISING OUT OF IRRECOVERABLE ARREARS OF RENT TO INCOME-TAX ASSESSEES.**

1094. **\*Mr. Fasal Ibrahim Rahimtulla:** (a) Are Government aware that bad debts arising out of irrecoverable arrears of rent is not allowed to assessee as a permissible deduction on the plea that the income-tax is levied on the annual value and not on the rental income of the property?

(b) Are Government aware that in England the payer of rent is liable to deduct the tax and pay to Government and therefore the owners of property have not to pay the income-tax on the rent which they could not recover?

**The Honourable Sir Basil Blackett:** (a) The Honourable Member has correctly stated the Indian law on this subject.

(b) The law in England differs in this as in other respects from the law in India.

**REDUCTION OF FEES CHARGED UNDER THE INCOME-TAX ACT, 1922.**

1095. **\*Mr. Fasal Ibrahim Rahimtulla:** (a) Is it a fact that no lesser sum than Rs. 100 as contemplated by section 66 (2) of the Indian Income-tax Act, 1922, is prescribed as yet for making a reference to the High Court?

(b) Are Government aware that the fee charged in England under section 149 (c) of the Income-tax Act, 1918 (8 and 9 George 5 Ch. 40); is only twenty shillings?

(c) Are Government prepared to reduce the fee at least to the same level as in England?

**The Honourable Sir Basil Blackett:** (a) The answer is in the affirmative.

(b) The Honourable Member's statement appears to be correct.

(c) The answer is in the negative.

**ASSESSMENT TO INCOME-TAX OF AMOUNTS PAID BY THEIR CUSTOMERS TO COMMISSION AGENTS FOR CHARITABLE PURPOSES.**

1096. **\*Mr. Fasal Ibrahim Rahimtulla:** (a) Are Government aware that commission agents charge some amount from their customers at a fixed rate for charity and which they debit to the customers and credit to the account of that particular charity, but the Income-tax Department includes all the receipts under charity as their own income, and ignores the payments under that head?

(b) Are Government prepared to make inquiries and take steps to remove this procedure?

**The Honourable Sir Basil Blackett:** The subject to which the Honourable Member refers is already under the consideration of the Central Board of Revenue.

#### INSTITUTION OF PROFESSIONAL ACCOUNTANTS IN INDIA.

1097. **\*Mr. Fazal Ibrahim Rahimtulla:** (a) Are Government contemplating the advisability of forming some institution of professional accountants in India, on the lines of recognised Societies of Accountants in the United Kingdom, and, if so, what steps have Government taken so far?

(b) Will Government lay on the table all the papers in this connection?

**The Honourable Sir Charles Innes:** (a) and (b). As announced by Lord Reading at the annual meeting of the Associated Chambers of Commerce held in Calcutta in December 1925, the Government of India are considering measures for the training and registration of auditors to ensure a higher standard of professional training and practice. The matter is still only in the preliminary stage and Government do not propose at present to lay any papers on the table.

**Mr. Fazal Ibrahim Rahimtulla:** May I know, Sir, how long Government will take to come to a decision in the matter?

**The Honourable Sir Charles Innes:** I hope, Sir, that my successor may be able to introduce legislation in the September Session.

#### PAYMENT OF COMPENSATION TO THE LESSEES OF CERTAIN HOUSES IN POONA TAKEN POSSESSION OF BY GOVERNMENT DURING THE WAR.

1098. **\*Mr. Fazal Ibrahim Rahimtulla:** (a) Will Government be pleased to state whether they took possession of 6 houses Nos. 6, 12, 17, 28, Queen's Gardens, No. 1A, Elphinstone Road, and No. 28, Napier Road, Poona, in 1917 and 1918 as a war measure under the Defence of India (Consolidated) Rules, 1915, for the occupation of Military officers?

(b) Were these houses then already in possession of certain lessees?

(c) Is it a fact that in 1921, the arbitrator appointed under the rules at Poona, rejected the claim of the lessees for compensation which amounted to about Rs. 82,000, on the ground that the lessees were not owners under the Rules?

(d) Is it not the fact that the arbitrator, when giving the above award, added that, should Government decide in future to pay compensation to the lessees he would carry out the investigation further?

(e) Are Government aware that eminent lawyers like Sir Chimanlal Setalvad have given an opinion that Government are bound to pay compensation to the lessees under the Civil Procedure Code?

(f) Is it not the fact that the framers of these Rules in 1915 had in mind the payment of compensation to the lessees and therefore did not add the definition of the owner with a view to avoid embarrassment to Government during the continuance of the War?

(g) Will the Government be pleased to place these draft rules and other connected papers on the Council table?

(h) As the War is now over, do Government intend to order the arbitrator to investigate, with a view to pay compensation to the lessees?

**Mr. G. M. Young:** (a)—(h). I am making enquiries, and will inform the Honourable Member in due course.

TRANSFER OF RAILWAY EMPLOYEES FROM THE UNITED PROVINCES TO BENGAL.

1099. **\*Mr. Mukhtar Singh:** (a) Is it a fact that a number of employees have been transferred from Ghaziabad and other railway stations situated in the United Provinces of Agra and Oudh to railway stations situated in Bengal?

(b) Is it a fact that the railway servants who have been transferred to long distances are mostly people who are drawing less than Rs. 100 a month?

(c) Are Government aware that the railway servants who have thus been forced to go to long distances, have been put to great inconvenience and loss on account of their transfers and the administration has also suffered in efficiency inasmuch as the hands transferred from the United Provinces do not understand the Bengali language?

(d) Are the railway authorities prepared to reconsider the cases of all such transfers and retransfer these hands nearer to their homes?

RULES REGARDING THE TRANSFER OF RAILWAY EMPLOYEES FROM ONE PROVINCE TO ANOTHER.

1100. **\*Mr. Mukhtar Singh:** Is there any rule or Government order by which it may be necessary for the railway authorities to take into consideration the difficulties and inconvenience of low paid employees in transferring them from one province to another? If the answer be in the affirmative, will Government be pleased to place on the table a copy of such order. If the answer be in the negative, are Government prepared to consider the advisability of issuing such a Government order and framing such a rule?

TRANSFERS OF RAILWAY EMPLOYEES FROM ONE RAILWAY SYSTEM TO ANOTHER.

1101. **\*Mr. Mukhtar Singh:** Are railway servants getting less than one hundred rupees transferred from one railway system to another? If the answer be in the affirmative, will Government be pleased to place on the table a copy of such rule? If in the negative, are Government prepared to frame such a rule by which free transfers be possible from one system of Government railway to another?

**Mr. A. A. L. Parsons:** I propose with your permission, Sir, to answer questions Nos. 1099—1101 together.

Government have no information. The transfer of staff within a railway administration is a domestic matter and is carried out in the best interests of the railway and with due regard to all the circumstances of each case. Government do not consider it necessary to frame any such rules as are suggested by the Honourable Member.

SHED FOR THIRD CLASS PASSENGERS AT GHAZIABAD JUNCTION.

1102. **\*Mr. Mukhtar Singh:** (a) Are Government aware that there is no passenger shed for third class passengers at Ghaziabad Junction railway station at the booking office and that the passengers have to wait in the sun and rain for a very long time in order to get their tickets?

(b) Are Government aware that a small shed on the old railway platform is at a very long distance from the third class booking office?

**Mr. A. A. L. Parsons:** (a) and (b). Government must leave it to Agents to decide at what stations passenger sheds should be provided and where they should be situated at stations. A copy of the question has, however, been sent to the Agent, North Western Railway.

NUMBER OF ROMAN CATHOLIC CHAPLAINS ATTACHED TO THE ARMY IN INDIA.

1103. **\*Mr. M. Rethnaswamy:** Will Government be pleased to state:

(a) the number of Roman Catholic chaplains attached to the Army in India?

(b) the number of soldiers served by these chaplains?

(c) the proportion they bear to the number of soldiers they serve compared with the proportion borne by Anglican and other chaplains to the number of soldiers the latter classes of chaplains serve?

(d) the rates of emoluments paid to Roman Catholic Army chaplains and whether they are the same as those paid to Anglican and other classes of chaplains?

(e) whether Indian Christian sepoys are served by any chaplains?

**Mr. G. M. Young:** (a) 75.

(b) 7,899 according to a census taken in 1925.

(c) One chaplain to 105 troops. The latest figures for other denominations date from 1921 and are:

Church of England	. . . . .	1 to 445 troops.
Church of Scotland	. . . . .	1 to 623 "
Wesleyan Church	. . . . .	1 to 179 "

In consequence of the very high proportion of Roman Catholic chaplains to Roman Catholic troops, the number of Roman Catholic chaplaincies is being reduced to 61 with effect from the 1st April 1927. This will give a proportion of 1 to 129 which is still high as compared with other denominations.

(d) Roman Catholic chaplains are paid at an average rate of Rs. 380 per mensem including horse allowance. These rates are the same as those paid to Wesleyan chaplains, but less than the rates\* for chaplains of the Church of England and of the Church of Scotland.

(e) There are no military chaplains provided for Indian Christian sepoys. •

\* Rs. 600 in the first year of service to Rs. 1,050, plus £80 overseas pay, on and after 19th year.

**Mr. M. Ruthnaswamy:** How is the spiritual welfare of Indian Christian sepoys looked after?  
12 NOON.

**Mr. G. M. Young:** Presumably, Sir, by civilian chaplains.

UNSTARRED QUESTIONS AND ANSWERS.

RECOMMENDATIONS OF THE LEE COMMISSION REGARDING THE INDIAN MEDICAL SERVICE.

191. **Mr. Fazal Ibrahim Rahimtulla:** (a) Will Government be pleased to state when the final orders of the Secretary of State for India will be passed on the recommendations of the Lee Commission as regards the Indian Medical Service?

(b) What are the reasons for the prolonged delay?

**Mr. G. M. Young:** (a) A despatch on the subject was received from the Secretary of State last week. This despatch is not quite final, as certain points of detail have been referred to the Government of India for re-examination.

(b) The question involving as it does the whole future medical administration of India on the civil and provincial as well as the military side, required exhaustive consideration in communication with Local Governments, and subsequently with the India Office. This has taken up a great deal of time, but the Government of India do not consider that there has been delay.

PERMANENT APPOINTMENTS TO THE INDIAN MEDICAL SERVICE MADE BY NOMINATION BY THE SECRETARY OF STATE FROM 1920 TO 1926.

192. **Mr. Fazal Ibrahim Rahimtulla:** (a) Will Government be pleased to state the number of permanent appointments to the Indian Medical Service made by nomination by the Secretary of State from 1920 to 1926?

(b) How many of them were Europeans and how many Indians?

(c) How many Indian officers holding temporary commissions were included in the above?

(d) How many Indian officers holding temporary commissions or over 6 to 7 years' service have been demobilised from 1920 to 1926? What are the reasons for such demobilisation, and what is the number replaced by fresh temporary commissions?

**Mr. G. M. Young:** (a) 202.

(b) 106 Europeans and 96 Indians.

(c) 94.

(d) The answer to the first part is 85. The officers were demobilised at their own request on account of physical unfitness or unsuitability for permanent commissions in the Indian Medical Service. During the period 156 Indians were granted temporary commissions in the Indian Medical Service.



## INDIGENOUS DRUGS.

198. **Mr. Fazal Ibrahim Rahimtulla:** Will Government be pleased to state whether they intend to extend the scope of investigation and research in indigenous drugs by organising more laboratories for the purpose?

**Mr. J. W. Bhore:** At present certain researches into indigenous drugs are being conducted under the auspices of the Indian Research Fund Association in the School of Tropical Medicine and Hygiene, Calcutta, and the Haffkine Institute, Bombay. The Government of India do not propose at present to take any further action.

## CURE FOR PLAGUE.

194. **Mr. Fazal Ibrahim Rahimtulla:** (a) Will Government be pleased to state whether any researches have been made or are contemplated for investigating the possibility of a cure for plague, which has existed in India for over 30 years and is still prevalent in various provinces?

(b) Will Government be pleased to state whether their attention has been drawn to a series of articles by Khan Bahadur Dr. N. H. Choksy, C.I.E., of Bombay, which appeared in the *Times of India* in 1923 on the above subject and whether any inquiries have been made in connection therewith?

(c) Will Government be pleased to state whether the feasibility of a special combined general, sanitary, preventive and curative agency—a special sanitary service—as suggested in the seventh article of the series above referred to, has been discussed by Government as also the creation of a Ministry of Public Health, under the Central and the Provincial Governments?

**Mr. J. W. Bhore:** (a) Yes. Researches on all aspects of the plague problem have been in progress at the Haffkine Institute, Bombay, which is the centre of plague research, since 1905. The Indian Research Fund Association has also of late paid special attention to this disease.

(b) Yes. As the Honourable Member will observe from the answer to part (a) of the question, Government are fully alive to the necessity of research on plague.

(c) Under the Reforms, medical administration is a transferred provincial subject. Creation of the kind of agency referred to by the Honourable Member is, therefore, the concern of Local Governments.

## THE GREAT INDIAN PENINSULA RAILWAY POWER STATION SCHEMES.

195. **Mr. Fazal Ibrahim Rahimtulla:** (1) Has the attention of Government been drawn to an article in the *Indian National Herald* of the 28th December on the subject of the Great Indian Peninsula Railway Power Station Scheme and subsequent correspondence dealing with the same?

(2) Will Government be pleased to state the reasons for which a separate Power Station of the Great Indian Peninsula Railway has been considered necessary?

(3) In view of the statements published in the Press concerning this scheme will Government be pleased to state the ultimate total expenditure

under several heads of the scheme sanctioned by or awaiting sanction of Government and whether Government are satisfied that this expenditure will not be exceeded?

(4) Will Government be pleased to state the estimated cost per unit of power delivered at the Rotary Converter sub-stations, from the Great Indian Peninsula Railway Power House under discussion and whether or not this cost per unit is higher than that of the Tata Hydro-Electric Power available in Bombay?

(5) Will Government be pleased to state the load factor and the cost of coal delivered at site, on which the cost per unit is based?

(6) Will Government be pleased to state the actual load factor now obtained at the Wadi Bunder and Kurla sub-stations of the Great Indian Peninsula Railway over their present electrified railway service?

(7) Will Government be pleased to state the guaranteed coal consumption per kilowatt hour of the Parsons Turbines which have been ordered for the Great Indian Peninsula Railway Power House?

(8) Is it a fact that the Consulting Engineers for this scheme have always favoured Parsons Turbines for nearly all Power Station Schemes with which they have been connected?

(9) Will Government be pleased to state how many quotations were received from other British firms and their comparative prices and their guaranteed fuel consumption per kilowatt hour?

(10) Will Government be pleased to state on what technical and financial grounds, the order for the Turbines was placed with Messrs. C. A. Parsons and Co., and whether Government was consulted in the matter before the order was placed?

(11) Do Government intend to make further inquiry into this scheme by an independent committee of experts before committing the country to an expenditure of such a huge sum of money and staying the construction of this Power House until the report is considered?

**Mr. A. A. L. Parsons:** (1) No.

(2) The Honourable Member is referred to the reply given to part (a) of Mr. N. C. Kelkar's question No. 148 on the same subject on the 1st of March 1927.

(3) The total expenditure on the power house is estimated at Rs. 97,40,420, which is divided into the following heads:

	Rs
(i) Steel buildings, cranes, boilers pipework, fuel handling plant . . . . .	33,34,200
(ii) Turbo-alternators and transformers . . . . .	20,63,400
(iii) Switch gear, internal cabling and accessories . . . . .	9,18,000
(iv) Spare parts . . . . .	2,08,070
(v) Preparation of site, foundations brick and concrete work, circulating waterways, etc. . . . .	26,36,000
(vi) General charges . . . . .	5,80,750
Total	<u>97,40,420</u>

Government have no reasons to suppose that this estimate will be exceeded.

(4) It is estimated that the cost will be 665 annas per unit, dropping to 594 annas per unit with a 30 per cent. increase of load due to development expected in traffic. The Tata Hydro-Electric Power Company quoted a rate of Rs. 50 per kilowatt per annum of maximum demand plus 425 annas per unit consumed, which, according to the calculations of the Consulting Electrical Engineers to the Government of India, works out to a rate of 633 annas per unit.

(5) The cost per unit is based on an annual load factor of about forty-five per cent. with coal at Rs. 12 and annas 9 per ton.

(6) A little over 50 per cent.

(7), (9) and (10). Orders for plant required for the power house at Kalyan were placed by the High Commissioner for India, London, after consultation with the Consulting Electrical Engineers to the Government of India. Government have no other information on these points.

(8) Government have no information to this effect.

(11) The reply is in the negative.

#### DEFERRED REBATES.

196. **Mr. Fasal Ibrahim Rahimtulla:** (a) Will Government be pleased to state what progress they have made in carrying out the recommendation of the Fiscal Commission regarding the Deferred Rebate System?

(b) Do Government intend to introduce a Bill in connection with it?

**The Honourable Sir Charles Innes:** Government themselves do not propose to introduce legislation on this subject. As the Honourable Member is no doubt aware, notice has been given of a Bill to declare deferred rebates illegal, and that Bill will give an opportunity for full discussion on the subject.

#### OVERLAND EXPRESS BETWEEN BOMBAY AND CALCUTTA.

197. **Mr. Fasal Ibrahim Rahimtulla:** (a) Will Government be pleased to state what was the total cost of manufacture of the new Overland Express running between Bombay and Calcutta in connection with the weekly mail steamers?

(b) Is it one rake or two rakes which are manufactured?

(c) Who has borne the cost of this manufacture?

(d) Has the attention of the Government been drawn to the letters P. & O. inscribed on this Express? Do these letters signify that the cost has been borne by the P. & O. Steam Navigation Company and that this rake or these rakes is or are its property?

(e) What has been the average earning and expenditure on this service since its inauguration?

**Mr. A. A. L. Parsons:** (a) Rs. 7,40,000.

(b) Two.

(c) The East Indian and Great Indian Peninsula Railways.

(d) Yes. In this connection the attention of the Honourable Member is invited to the reply given on 1st March, 1927 to Mr. B. Das's starred question No. 668.

(e) The information is not available.

REPRESENTATION OF THE PASSENGERS AND TRAFFIC RELIEF ASSOCIATION,  
BOMBAY, ON THE ADVISORY COMMITTEES OF THE GREAT INDIAN  
PENINSULA AND BOMBAY, BARODA AND CENTRAL INDIA  
RAILWAYS.

998. Mr. Fasal Ibrahim Rahimtulla: (1) Will Government be pleased to state if they are aware that the Madras and Southern Mahratta and South Indian Railways have given a representation on the Advisory Committees of those Railways to the Railway Passengers' Association, Madras?

(2) Are Government aware that the Passengers' and Traffic Relief Association, Bombay, has applied to the Agents of the Great Indian Peninsula and the Bombay, Baroda and Central India Railways for a similar representation on their Local Advisory Committees?

(3) Are Government aware:

(a) that the Indian Merchants' Chamber has asked its representatives on the Advisory Committees of both the Railways to support the claim of the Passengers' and Traffic Relief Association, Bombay;

(b) that the leading papers of Bombay have advocated the cause of the Association in this direction; and

(c) that Sir Henry Freeland, the retired Agent of the Bombay, Baroda and Central India Railway had promised to give representation to the Passengers' and Traffic Relief Association, Bombay, if Mr. Jivraj G. Nensey, one of its Honorary Joint Secretaries who then represented the Municipal Corporation, did not happen to be on his Committee?

(4) Is it a fact that in spite of the statements in item 3 above, the Agents of the Great Indian Peninsula and the Bombay, Baroda and Central India Railways have not yet granted a right of representation on their Advisory Committees to the Association?

(5) Do Government propose to ask the Agents of both the Railways to give a seat on their Local Advisory Committees to a representative of the Association?

Mr. A. A. L. Parsons: 1. Yes.

2. Yes.

3. (a) and (b). Government have no information.

(c) The undertaking given was that the matter would be considered.

4. and 5. I would refer the Honourable Member to the reply given to question No. 31 on the 27th January 1927.

**RUNNING OF TRAINS WITHOUT ALARM CHAINS ON THE GREAT INDIAN  
PENINSULA RAILWAY.**

199. **Mr. Fasal Ibrahim Rahimtulla:** (1) Will Government be pleased to state on what Railways alarm chains and brakemen are not provided?

(2) Has the attention of the Government been drawn to Mr. Jivraj G. Nensey's letter addressed to the Municipal Corporation, Bombay, and to the reply as appearing in the Press received by Mr. J. B. Bomon Behram, a representative of the Corporation on the Advisory Committee of the Great Indian Peninsula Railway?

(3) If the brakemen were not provided for attendance on passengers as stated in the reply, will Government be pleased to state what duties they were required to perform prior to their withdrawal?

(4) Is it a fact that the Great Indian Peninsula Railway did not put in for months together alarm chains on all their suburban steel rakes? If so, was special permission granted by the Railway Board authorizing them to run trains without alarm chains?

**Mr. A. A. L. Parsons:** (1) Detailed information is not available but the Honourable Member is referred to the general rule on the subject which will be found in Rule 64 of the General Rules for Indian Railways which are available for inspection at any railway station.

(2) No, but Government have seen a report of a discussion on the subject at a meeting of the Local Advisory Committee of the Great Indian Peninsula Railway held at Bombay on the 11th November 1926.

(3) Brakemen were originally provided for train working purposes. Their duties included attending to packages, taking up line clear to the driver and generally assisting the head guard.

(4) The Railway Board did not authorise the running of these trains without alarm chains but as will be seen from the summary of the aforesaid Advisory Committee proceedings, which appeared in the Press, steps were taken as opportunity offered to fit alarm chains to the coaches which through an oversight had come from England without being equipped with them.

**NUMBER OF IMPERIAL OFFICERS SERVING IN BURMA IN 1918 AND 1926.**

200. **U. Khin Maung:** Will Government be pleased to furnish the number of Imperial officers serving in Burma in all the Departments in 1918 and in 1926?

**The Honourable Sir Alexander Muddiman:** I understand the Honourable Member is referring to officers belonging to the Central Services Class I. I have had a statement prepared from the civil lists of 1918 and 1926 showing the number of such officers, serving in Burma on the 1st January of each of these two years, which I will send to the Honourable Member. If he requires further information I should be glad if he would let me know.

**STATE MANAGEMENT OF THE BURMA RAILWAYS.**

201. **U. Khin Maung:** Will Government be pleased to state whether there is any intention to hand over the Burma Railways to State management when the term of the agreement expires? If the answer is in the affirmative, when will such steps be taken?

**Mr. A. A. L. Parsons:** The question is at present under the consideration of the Government.

ANNUAL ADDITIONAL EXPENDITURE TO BE INCURRED FOR SERVICES IN BURMA AS A RESULT OF THE RECOMMENDATIONS OF THE LEE COMMISSION.

**202. U. Khin Maung:** Will Government be pleased to give the approximate figures of the additional expenditure annually to be incurred for services in Burma as a result of the recommendations of the Lee Commission?

**The Honourable Sir Basil Blackett:** I would invite attention to the answer given by me to questions Nos. 481 and 489 on the 25th January 1926 as to the additional expenditure involved in giving effect to the recommendations of the Lee Commission. The estimated share of Burma for 1924-25 and 1925-26 was about Rs. 7½ and Rs. 9 lakhs respectively. Further information is not available and cannot be supplied without an undue expenditure of time and trouble.

RESERVATION OF APPOINTMENTS FOR MEMBERS OF THE ALL-INDIA SERVICES ON THE TRANSFERRED DEPARTMENTS.

**203. U. Khin Maung:** Will Government be pleased to state their policy whether in the Transferred Departments appointments hitherto held by the Imperial Services are still to be reserved for such officers?

**The Honourable Sir Alexander Muddiman:** The Lee Commission when they made their recommendations for the provincialization of future recruitment to the services operating in the transferred fields, stated that their conclusions were dependent on the assumption that no change would be made in the position of the existing members of the All India Services operating in the transferred field and that they would retain all their rights. This is the policy which is being maintained by Government.

TOTAL AMOUNT OF REVENUE REALISED FROM BURMA IN 1924-25.

**204. U. Khin Maung:** What is the total amount of revenue realised from Burma by the Government of India in 1924-25? Please give particulars under separate heads. What is the total expenditure in 1924-25? Please give particulars under separate heads.

**The Honourable Sir Basil Blackett:** I would refer the Honourable Member to the Finance and Revenue Accounts of the Government of India for 1924-25. If the Honourable Member wishes to ascertain the Central Revenue and Expenditure which properly appertains to the province of Burma, I may explain that these accounts follow the place of receipt or payment rather than the province to which the receipt or payment properly appertains and, it is practically impossible to determine from the published accounts in all cases whether particular transactions relate to a particular province. This is specially true of the transactions at the Home Treasury and also those relating to the commercial departments like Railways and Posts and Telegraphs and also the Military Department.

### EXPORT DUTY ON RICE AND PETROLEUM CESS IN BURMA.

205. **U. Khin Maung:** Are Government aware that there is discontent in Burma for not returning the rice export duty and petroleum cess to Burma? Do Government propose to reconsider the question?

**The Honourable Sir Basil Blackett:** Representations have been made by the Government of Burma. The Government do not propose to reconsider the question.

### THE CHINESE ADVISORY BOARD OF BURMA.

206. **U. Khin Maung:** Will Government be pleased to state whether there are any Advisory Boards in any part of India, formed to assist Government in the matter of the Foreigners' Act? If the answer is in the negative, are Government prepared to consider the desirability of abolishing the Chinese Advisory Board of Burma, or else to constitute a more representative Board preferably elected by the Chinese themselves?

**The Honourable Sir Alexander Muddiman:** There is no provision in the Act for such Boards and the Government of India have no information as to the action that may have been taken by Local Governments in the matter. The constitution of the Chinese Advisory Board of Burma is a matter that concerns the Burma Government alone.

### HOLIDAYS IN THE IMPERIAL SECRETARIAT.

207. **Mr. C. S. Ranga Iyer:** (a) Is it a fact that the Imperial Secretariat employees enjoy far less holidays than all the Provincial Secretariats?

(b) Is it also a fact that even the High Courts and other courts in all Provinces enjoy much more holidays than the Imperial Secretariat?

(c) Do Government intend to give the Imperial Secretariat clerks at least as many holidays as are enjoyed by the clerks of the Province where the Imperial Secretariat is located?

**The Honourable Sir Alexander Muddiman:** (a) and (b). I have not got the figures for all the offices mentioned by the Honourable Member. But I am prepared to concede him the position which he takes up.

(c) Representations have been received from the Imperial Secretariat Association and the Association of Attached and Subordinate Offices on the question of increasing the holidays which are given in the Secretariat and they are under consideration.

### WATER RATES IN ORTHODOX AND UNORTHODOX QUARTERS IN NEW DELHI.

208. **Mr. C. S. Ranga Iyer:** (a) What are the rates charged for water taps in the A, B, C and D type Indian clerks quarters and that of unorthodox quarters of the same type?

(b) On what grounds have the charges in the case of 'D' and other type of Indian clerks quarters in particular been increased?

(c) Is it a fact that the taps are not kept opened throughout the day? If so, why is this not allowed?

(d) Do Government propose to reconsider the matter?

**The Honourable Sir Bhupendra Nath Mitra:** (a) Rates charged for water in unmetred orthodox quarters are as follows:

Type A	Rs. 3 per month.
Types B and C	„ 2 „ „
Type D	„ 1-8 „ „

Rates charged for water in metered unorthodox quarters are Rs. 1-8 for a supply up to 4,000 gallons per month plus Re. 0-6-0 per 1,000 gallons for any supply in excess of 4,000 gallons.

(b) The rates in unmetred orthodox quarters were increased because it was found that water was being wasted and the consumption (in orthodox quarters) largely exceeded the amount charged for water formerly.

(c) Yes. in order to prevent excessive consumption, but as an experimental measure water has been available for the whole 24 hours during the last 3 weeks. If it is found that consumption becomes excessive the restricted hours of supply will have to be reverted to.

(d) Government do not see sufficient reason to reconsider the matter.

#### RETENTION OF HONEYCOMB BRICK WORK FOR BATHROOMS OF "D" TYPE INDIAN CLERKS' QUARTERS IN NEW DELHI.

209. **Mr. C. S. Ranga Iyer:** (a) With reference to the reply to question No. 167 given by the Honourable Member for Industries during the last Simla Session, will he kindly be pleased to furnish the grounds on which the decision for the retention of honeycomb brick work for bathrooms of 'D' type Indian clerks' quarters in New Delhi was based?

(b) Was the opinion of the expert Doctors obtained before arriving at this decision as to whether they are injurious during the cold weather?

(c) Is it a fact that this is a long felt and many a times represented difficulty but that it has not been removed?

(d) Does the Honourable Member propose to reconsider his decision and have the honeycomb bricks replaced by glazed windows? If not, why not?

**The Honourable Sir Bhupendra Nath Mitra:** (a) The objection to the honeycombed windows was not considered reasonable except in those cases where the doors were solid and in consequence the bath-rooms would be in darkness if the honeycomb was covered by a small purdah on the inside. In all cases, glazing has been provided in the doors of such bath-rooms to remove this objection.

(b) No. The tenant can protect himself against a sudden draught when he is bathing by covering the honeycombed portion by a small purdah on the inside.

(c) and (d). As stated in (a), it is considered that all reasonable grounds for complaint have been removed and Government see no sufficient reason to reconsider their decision.



**APPOINTMENT OF CHAUKIDARS FOR INDIAN CLERKS' QUARTERS IN  
NEW DELHI.**

210. **Mr. C. S. Ranga Iyer:** (a) Will Government please give reasons why the rates of rents of the Raisina quarters are fluctuating every now and then? Is it due to the fact that proper estimates of the costs could not be found? If so, what is it due to?

(b) Are Government aware that protection of life and property is not afforded to the occupants of these quarters and that consequently the occupants have to engage chaukidars to look after their quarters at night which means an extra burden on their pockets over and above the rent?

(c) If not, are Government prepared to inquire and let this House know how many chaukidars in each Square or at other places (Indian clerks' quarters) are employed and how much it costs to the tenants?

(d) Do Government propose to consider the question of appointing chaukidars at their own cost?

**The Honourable Sir Bhupendra Nath Mitra:** (a) The existing rents have recently been calculated on the basis of the Lee Commission proposals. Prior to this the method of assessment was as described in the reply given to part (a) of question No. 525 asked by Lala Pyare Lal on 30th January 1925. The fluctuation referred to is due to these causes.

(b) The Honourable Member is referred to the answer given on the 1st February 1927 by the Honourable the Home Member to Mr. Gaya Prasad Singh's question No. 224. The increase referred to has since been sanctioned.

(c) Government do not propose to hold an enquiry of this nature.

(d) The answer is in the negative.

**REDUCTION OF FARES ON THE EASTERN BENGAL RAILWAY.**

211. **Mr. Bhabendra Chandra Roy:** (a) Will Government be pleased to state whether the passenger fares on the East Indian Railway and Bengal Nagpur Railway have been considerably reduced while the Eastern Bengal Railway maintains a higher rate?

(b) Is it the intention of Government to reduce passenger fares on the Eastern Bengal Railway so as to bring them on a par with the East Indian Railway?

**Mr. A. A. L. Parsons:** (a) The reply is in the affirmative.

(b) The Honourable Member is referred to the answer given to a similar starred question No. 168. asked in the Legislative Assembly, by Kumar Ganganand Sinha on the 1st February 1927.

**OPENING OF A NEW STATION IN CONNECTION WITH THE PROJECTED  
RAILWAY OVER THE NEW BALLY BRIDGE.**

212. **Mr. Amar Nath Dutt:** (a) In connection with the projected Railway over the new Bally Bridge connecting the East Indian and the Eastern Bengal Railways, will the Government be pleased to state whether it is proposed to open a new railway station on the east bank of the river to take up passenger traffic from Barnagore and adjoining places?

(b) If the answer to (a) is in the affirmative, will the proposed new station be on the direct main line connecting the two railways to enable passengers to entrain on through trains and also to travel to Sealdah direct?

(c) If the new station is not to be opened on the main line, will Government state their reasons for such a decision?

**Mr. A. A. L. Parsons:** (a) The answer is in the negative.

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

#### RETIREMENT AT THE AGE OF 55 OF CERTAIN POSTAL OFFICIALS OF THE PUNJAB AND NORTH WEST FRONTIER CIRCLES.

213. **Pandit Thakur Das Bhargava:** In view of the ruling of the Finance Department of the Government of India contained in their letter No. F.-25-C. S. R./25, dated 28th January 1925, to all heads of departments to the effect that the date on which a ministerial Government servant must compulsorily retire is ordinarily the date on which he attains the age of 60 years, which was pursued by the Director General, Posts and Telegraphs, in his letter No. C. P.-2, dated 28th July, 1925, to all heads of postal circles to the effect that ministerial Government servants should be retained in service up to the age of 60 years so long as they continued efficient, will Government be pleased to state why Mr. Bhagat Ram, late Postmaster, Ludhiana, Mr. Mush Singh, late I. P. O., Jagraon Sub-Division, Mr. Ghulam Nabi, late S. P. M., Nathiagali and other ministerial Government servants who were reported efficient and recommended for extension of service by their immediate officers were made to retire at the age of 55 years by the Postmaster General, Punjab and North-West Frontier Circles, and why Feroz Din, a clerk of the General Post Office, aged 68, has been granted extension of service for more than 7 years?

**Sir Ganen Roy:** Fundamental Rule 54 (b) gives the Postmaster-General full discretion to require a ministerial officer to retire at the age of 55 years. There is nothing in the orders quoted by the Honourable Member which can be interpreted as limiting this discretion. This being so, the question asked by the Honourable Member in regard to Messrs. Bhagat Ram, Mush Singh and Ghulam Nabi does not arise. The extension of service to Mr. Feroz Din was sanctioned by me under the last sentence of Fundamental Rule 54 (b).

#### ISSUE OF AN ABRIDGED INDEX TO THE PROCEEDINGS OF THE LEGISLATIVE ASSEMBLY FOR THE YEARS 1921-26.

214. **Sir Darcy Lindsay:** Are Government prepared to consider the issue by the Legislative Department for the convenience of Members, of an abridged subject index of the proceedings of the Legislative Assembly over each period of three years, omitting from the proposed abridged index reference to questions and any minor matters?

**Mr. L. Graham:** The Honourable Member's suggestion will be given effect to. Government will undertake the preparation of a consolidated and abridged index for the years 1921-26.

## STATEMENT LAID ON THE TABLE.

## INDIANS IN HONG KONG AND SHANGHAI.

**Mr. E. B. Howell** (Foreign Secretary): Sir, I lay on the table a statement with reference to the reply given on the 15th February last to starred question No. 424 by Diwan Chaman Lall regarding Indians in Hong Kong and Shanghai.

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*Statement.*

(a) The approximate number of Indians in Hong Kong and Shanghai respectively is 1,152, and 1,400.

(b) The approximate value of Indian owned property in Hong Kong is 1,000,000 dollars, and in Shanghai 500,000 dollars.

(c) No Indian property has been interfered with, nor have any Indian lives been lost in either Hong Kong or Shanghai.

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STATEMENT REGARDING BENGAL DETENUS.

**The Honourable Sir Alexander Muttisman** (Home Member): With your permission, Sir, I desire to make a statement to the House, in regard to Bengal detenues.

The policy of Government regarding those, who have been detained under Regulation III or the Bengal Criminal Law Amendment Act in connection with the Bengal revolutionary conspiracy has been and still is that the detention of no man should last longer than is essential in the interests of the public safety. The Government are convinced that the terrorist conspiracy is still in active existence and that consequently it is not possible to take steps in the direction of the release of those about whom there is no reasonable doubt that they would utilise their liberty to resume their previous activities. They are, however, anxious to pursue as quickly as possible the gradual release of individuals whose conduct gives reason for hoping that they will not abuse their liberty.

The Bengal Criminal Law Amendment Act provides for a considerable degree of elasticity in the treatment of those who are dealt with under it and enables the Government to transfer from jail to less strict forms of supervision persons whose past record and present conduct would not justify their unconditional release. Individuals of this class may be directed to reside in a particular village or in their homes. The practical results of transferring men in this manner to village or home domicile are carefully watched and the Government are enabled to observe whether the action taken is justified by events and thus to determine the possibility of further extension of such action.

In order to show what has been done in the direction of discriminating treatment of the detenues I may mention that out of 171 persons dealt with under the Bengal Criminal Law Amendment Act from the beginning, 75 have been placed in village domicile and 13 in home domicile while 26 have been released. The number now remaining in jail is 54. Of those arrested under Regulation III, 31 were subsequently transferred to the

Bengal Criminal Law Amendment Act and are included in the figures given above. 16 at present remain in jail under the Regulation.

In the last two and a half months the Government of Bengal have issued orders for the transfer of 19 detenues from jail to village or home domicile under the Act and have released 7. The Government of India have also had under review the cases of those who are still detained under Regulation III. They are considering the case of one of these State prisoners on medical grounds. In respect of 4 others they are satisfied that detention in jail is no longer necessary and they are therefore cancelling the warrants under Regulation III so that action may be taken to bring them under the Bengal Criminal Law Amendment Act with a view to their transfer to village domicile. It must be understood that the practical results of this action as exhibited in the conduct of the men thus placed in village or home domicile requires the constant attention of Government. If it is ascertained that such men are reverting to terrorist conspiracy, Government will not hesitate to deal with them again under their powers.

**Pandit Motilal Nehru** (Cities of the United Provinces: Non-Muhamadan Urban): May I ask, Sir, if it is the considered decision of the Government not to release any more at present?

**The Honourable Sir Alexander Muddiman**: My hope, Sir, is that if these gradual releases are successful, we may pursue this policy as rapidly as is compatible with the public safety.

**Pandit Motilal Nehru**: Have any releases been made since the Resolution passed by the Assembly?

**The Honourable Sir Alexander Muddiman**: These four men will be released.

**Pandit Motilal Nehru**: Unconditionally?

**The Honourable Sir Alexander Muddiman**: No, not unconditionally.

**Pandit Motilal Nehru**: They are Regulation men?

**The Honourable Sir Alexander Muddiman**: Yes, Sir.

**Pandit Motilal Nehru**: Not one of the Bengal Ordinance men?

**The Honourable Sir Alexander Muddiman**: Yes. In the last two and a half months 19 detenues have been released from jail and put in village or home domicile and 7 have been released.

**Sir Hari Singh Gour** (Central Provinces Hindi Divisions: Non-Muhamadan): May I beg to inquire whether these releases are in consequence of the Resolution passed by this Assembly or independent of it?

**The Honourable Sir Alexander Muddiman**: Sir, the Government in considering these questions considers public opinion as expressed in this House and in other places.

**Mr. A. Rangaswami Iyengar** (Tanjore *cum* Trichinopoly: Non-Muhamadan Rural): May I know, Sir, whether any prisoners have been specifically released since the date the House passed the Resolution on the release of prisoners?

**The Honourable Sir Alexander Muddiman:** I have told the Honourable Member that there are 4 men who will be released and that is since the Resolution was passed. About these 7 men who have been released, I am not sure what dates they were released on, but they have been released in the last two and a half months; probably some were released before and some after the Resolution.

**Sir Hari Singh Gour:** Can the Honourable the Home Member give the names of the prisoners released?

**The Honourable Sir Alexander Muddiman:** No, it is not in the public interest that I should do so till the arrangements for their conditional release have been carried out.

**Mr. A. Rangaswami Iyengar:** Have these four been released unconditionally or conditionally?

**The Honourable Sir Alexander Muddiman:** If the Honourable Member had heard my statement he would have understood that they are released from jail and will be put into village domicile.

**An Honourable Member:** Is there any objection to giving the names of those who have already been released?

**The Honourable Sir Alexander Muddiman:** I have not got the names, but I should think there will be no objection. I should have to consult the Bengal Government.

**Maulvi Muhammad Shafee (Tirhut Division: Muhammadan):** May I know, Sir, if the Member who has been elected to this House has been released?

**The Honourable Sir Alexander Muddiman:** To the best of my knowledge he is not among the 7.

**Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural):** Sir, if my friend, Mr. Mitra, who was elected to this Assembly as a Member, says, "I shall be a good citizen and come here and become a good co-operator", will there be any objection on the part of the Government to allowing Mr. Mitra to come here and take the oath?

**The Honourable Sir Alexander Muddiman:** I should suggest to my Honourable friend to advise Mr. Mitra to go in the first instance to the Bengal Government by whose orders he is held.

**Mr. K. Ahmed:** His Excellency Lord Lytton said that his Government had no objection to Mr. Mitra coming here and taking the oath, provided in future he undertakes to conduct himself rightly and swears that he will be loyal to the King, and bears allegiance to his Successor and the Royal House. Will the Government of India then interfere?

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#### THE CURRENCY BILL—contd.

**Mr. President:** The House will now resume consideration of Mr. Chetty's amendment to clause 2 of the Currency Bill.

**Mr. T. Prakasam (East Godavari and West Godavari cum Kistna: Non-Muhammadan Rural):** Sir, I rise to support the amendment moved by

my Honourable friend Mr. Shanmukham Chetty. The Bill proposes that in place of section 11 of the Indian Coinage Act clause 2 of the Bill might be substituted. The amendment of my Honourable friend Mr. Chetty is that section 11 of the Act should be retained as such, and that in place of the figure "10" the figure "15" should be substituted. (*An Honourable Member*: "Rs. 13-5-4"). I beg your pardon, Sir, Rs. 13-5-4 should be substituted. The Honourable Sir Basil Blackett made an offer to omit clause 2 of the Bill, for the present treating the ratio there as equivalent to Rs. 10. The amendment, Sir, is a very important one, more important than the amendments moved by my Honourable friends Mr. Kelkar and Mr. Vidya Sagar Pandya. Those amendments were for the introduction of a gold mohur and a gold standard and gold currency. The present amendment of Government is for the removal of what we have got on the Statute now. We have got an inchoate and incomplete gold standard on the Statute as it stands to-day. The proposal made in the Government Bill is to remove this altogether, so that you will not find any trace of gold coin or even any mint or the legal character or the ratio. Before proceeding further with this, I wanted to ask the Honourable Member in charge of the Bill whether the offer he made on the last occasion is still open, namely, to omit clause 2 of the Bill. In his absence, Sir, I shall proceed with my argument with regard to it. Clause 2 deals not merely with demonetisation of the gold sovereign but it deals with removing the power that now vests in the Governor General in Council to coin sovereigns in the Royal Mint in England or in the Bombay branch of the Royal Mint. Then it deals with the removal of the legal tender character of the sovereign. More than 30 years ago, when the silver standard was abandoned, a gold standard was promised and that gold standard was embodied in section 11 and clause (e) of section 21 of the Coinage Act. Section 11, as I have stated, is a very small one in which the whole of the gold standard has been embodied. It says:

"Gold coins, whether coined at His Majesty's Royal Mint in England or at any Mint established in pursuance of a Proclamation of His Majesty as a branch of His Majesty's Royal Mint, shall be a legal tender in payment or on account, at the rate of Rs. 10 for one sovereign."

and the proviso makes exception in two cases with regard to the legal character of the sovereign, firstly those coins that had been called in under the Coinage Act of 1870 and those coins which had lost in weight; these two shall not be accepted as legal tender. Clause (e) of section 21 of this Act provides what should be done in the case of these coins which may have lost in weight or those which have been called in under the Act of 1870. This is the gold standard that the Government promised and embodied in this Act at that time. It was not a complete gold standard inasmuch as no provision was made for giving sovereigns in exchange for notes or silver. Provision was made for receiving sovereigns.

Sir, in the absence of the Honourable Member I was putting a question whether the offer made by him on the last occasion to omit clause 2 is still open.

**The Honourable Sir Basil Blackett** (Finance Member): That offer was made with a view to shorten debate. We have had a whole day's debate since then. As I pointed out, and as was well pointed out by Sir Purshotamdas Thakurdas, the offer involved an illogical result, and in view of the fact that my offer was not successful in curtailing debate I said I did not propose to repeat it, and I do not propose to repeat it now.

**Mr. T. Prakasam:** I have put the question with the same object of curtailing the debate if possible to-day, because there are other amendments which would take up time. I was submitting to Honourable Members of this House that the gold standard that was promised at that time, over 30 years ago, was embodied in this Act in its incomplete form in section 11 of the Coinage Act and clause (e) of section 21 of the said Act. In support of what I am stating now that a gold standard was promised at that time and it was declared to be the object of the Government to introduce a gold standard in place of the silver standard when the Mints were closed to the free coinage of silver and also to show that it was the intention of the Government to continue this gold standard on the Statute-book, however incomplete it was, I beg the attention of the Honourable Members of this House to what the Chamberlain Commission said in paragraph 7. They said:

"That from the date of substitution of gold for silver as the standard of value in 1893 to 1898 India derived enormous benefits and that gold standard should be maintained."

It is now proposed that this incomplete standard also should be removed, that there should not be any trace of a gold coin in India, there should be no trace of its currency anywhere here; not only that, but also that the Mints which were open to mint gold coins whenever there was a necessity, whenever there was an emergency, those Mints also should close. It is a very serious matter. In 1918, Sir . . . .

**The Honourable Sir Basil Blackett:** On a point of order, may I again point out that all that we are doing now is to leave the position free for discussion on the Gold Standard and Reserve Bank Bill and suggest that we had this whole subject under discussion and thoroughly debated it at very considerable length on the last occasion and that there is no reason why we should repeat it now.

**Mr. T. Prakasam:** Sir, I am taking particular care to see that not a word which I stated or any other Member stated with regard to the gold standard is being repeated now. I am trying and I am very anxious to confine myself to the four corners of the two sections, section 11 and clause (e) of section 21 in order to show what a serious step is proposed by the amendment of the existing Act. It is not merely demonetising the sovereign, but it is also closing the mints altogether, giving no chance whatever even if there should be an emergency to mint gold coins in this country. Now, Sir, I was submitting that after the war in 1918 when they could not send money from England to here, when they could not send gold from England to here, even when silver could not come from there to India, what was it they did? A Gold Ordinance was promulgated and an Amending Bill was introduced here; the Gold Mohur Amending Act of 1918 was passed by this House. Gold Mohurs were minted in the Bombay Branch. Now, Sir, by the amendment that is proposed by the Government, they want to close the mints . . . .

**The Honourable Sir Basil Blackett:** May I point out that this has nothing to do with the closing of the Mints, namely, the coining of gold mohurs.

**Mr. President:** The question of closing the Mints is a different question. It is not covered by the amendment now before the House.

**Mr. T. Prakasam:** I request your attention, Sir, to section 11 of the Act. It runs thus:

“Gold coins, whether coined at His Majesty's Royal Mint in England, or at any Mint established in pursuance of a Proclamation of His Majesty as a branch of His Majesty's Royal Mint, shall be a legal tender in payment or on account at the rate of rupees ten for one sovereign.”

In this clause, Sir, the coin is mentioned, the Mints where they would be coined are mentioned and the legal tender character and the ratio all are mentioned. All these are embodied in one section because they thought it was not necessary to introduce separate sections to show what the new coins were and how they came into existence so long as they were adopting the English sovereigns and half sovereigns as gold coins of India and they were minted in the mints defined in the Act and gold mohurs were not minted. What is proposed now by the Government by inserting clause 2 of the Bill, to which I would invite your attention? It runs thus:

“In the Indian Coinage Act, 1906, for section 11 the following section shall be substituted.”

In other words, remove the whole section, with the proviso and substitute in its place what is stated here in clause 2. Remove everything, there should be no Royal Mint, no branch, no minting, no legal tender, and nothing should be done. That is why I was submitting that the closing of the Mint meant the removal of the power vested in the Governor General in Council in virtue of this Act to mint sovereigns either in the Royal Mint in England or in the branch at Bombay or elsewhere.

**The Honourable Sir Basil Blackett:** May I point out that this is simply an amendment to substitute one figure for another; it is not the whole question which is under discussion. This is an amendment which does not touch the point the Honourable Member is referring to.

**Mr. T. Prakasam:** I am sorry, unless I have not been able to follow this attempt at legislation—the removal of one section from the Act and the substitution of another section in its place will destroy everything that is now in the section. If this is not open for discussion here I do not know what is. It is not a matter of merely demonetizing the sovereign and declaring that the sovereign shall cease to be a current coin. The whole section is sought to be omitted.

**Mr. K. Ahmed** (Rajshahi Division: Muhammadan Rural): Give it up; you will not be able to carry it.

**Mr. T. Prakasam:** Thank you, you will allow me to mention one word inasmuch as my friend humorously interrupted just now. I was reading in a paper that when the discussion on the gold standard and gold currency came up here last time, the House was empty, the weather was very hot and there were not sufficient Members here to attend to this, and yet the discussion was going on. Sir, I would request the Honourable Members of this House not to feel the heat in this House so much and not to go out of the House when the discussion is proceeding on such an important matter, a matter which is so vital that the result of it will be regretted not only by us but by our descendants in the future. It may be that the Honourable Members opposite who draw salaries from the Government exchequer find it very hot to sit in this House. . . . .



**The Honourable Sir Basil Blackett:** May I ask if all this is relevant?

**Mr. President:** Will the Honourable Member come to the merits of the question?

**Mr. T. Prakasam:** Sir, this is very closely connected with the merits. . .

**Mr. President:** Order, order. The Honourable Member will now come directly to the question before the House.

**Mr. T. Prakasam:** I therefore submit to the Honourable Members of this House that their presence is very essential here. . . .

**Mr. President:** Order, order. The Honourable Member is again harping on the same thing. I asked him more than once to come to the merits of the amendment which is before the House.

**Mr. T. Prakasam:** May I know, Sir, whether when one Member is talking, it is not within his province to request the Honourable Members who may be going away to pay attention to this?

**Mr. President:** The Honourable Member has already done so more than once, but he is not entitled to repeat it over and over again.

**Mr. T. Prakasam:** Thank you, Sir.

**Mr. K. Ahmed:** He has lost the thread of it. (Laughter.)

**Mr. T. Prakasam:** It is not a matter for laughter; it is a matter for serious consideration. The Members opposite can very well afford to laugh, but so far as I am concerned, and so far as other Members on this side are concerned, it is a matter of very great consequence for this country—the legislation that is proposed here and the manner in which it is being got through here.

**The Honourable Sir Basil Blackett:** May I again ask if this is relevant to the amendment?

**Mr. K. Ahmed:** Try this on the platform outside.

**Mr. T. Paraksam:** It is a matter of great seriousness to us. I have been submitting to the Honourable Members of this House what was proposed by clause 2 of this Bill. When it says that section 11 of the Gold Coinage Act should be removed it means the taking away of everything that exist on the Statute now with regard to this gold standard. Clause (c) of section 21, as the Act stands to-day, vests power in the Governor General in Council to make rules or regulations about the receipt of gold coins that may have lost their weight or may have been called in under the Gold Coinage Act of 1870. You will find on reference to the English Coinage Act or to any other Coinage Act of other countries that provision is made with regard to all these things in order to constitute a gold standard. All those things have been pressed into these two sections, or rather one full section and one clause of section 21. That is the standard that we have got and that is referred to by the Chamberlain Commission who say that it should be maintained at any cost to this country at least to that extent. I therefore submit to you that it is a very important matter. Now what is it that is sought to be introduced in place of section 11 through this clause 2 of the Bill? Demonetization of the sovereign: the sovereign shall cease to be legal

tender in future. That is clause 2 of the amending Bill. What is the object in view in demonetizing the sovereign? I was submitting to you on the last occasion, and I would not like to repeat it at any length here. Demonetization of the sovereign is not the thing that should be done. What should be done is demonetization of the rupee. The Honourable Member in charge of the Bill was very anxious to do some good to this country when he placed his own scheme before the Royal Commission . . .

**The Honourable Sir Basil Blckett:** I would like to ask whether this is relevant on the question whether the sovereign should be demonetized.

**Mr. T. Prakasam:** I am sorry for these interruptions, Sir. He was so good as to introduce in his own scheme demonetization of the silver rupee. The silver rupee, according to the Honourable Member in charge of the Bill, was the one stumbling block in the way of having an ideal system in India the removal of which would have saved India from all the disasters that have overtaken her. But to-day he feels he is compelled to adopt the recommendation of the Royal Commission that it is not the silver coin that should be demonetized, but the gold coin that should be demonetized. And what is the reason given by the Royal Commission for demonetizing the gold coin and not demonetizing the silver coin? The reason given by the Royal Commission is this: "a lot of gold is being hoarded in India and we want to remove that habit, to kill that habit and get back all the gold into use and really take it into circulation." That is the reason that is given by the Royal Commission. For that reason they say, demonetise the sovereign. My submission to the Honourable Members of this House to-day is that the object that the Commission had in view could never be achieved by demonetising the sovereign. On the other hand, if the Government should keep gold coin as a current coin and demonetise the silver rupee, then the object could be easily achieved. The best method,—the method acknowledged to be best by experts all over the world—is to win the confidence of the public. The confidence of the public could be gained by any Government if they said "Bring your silver rupees to us; we are ready to give you gold coin. Bring your currency notes, bring us the currency notes which we have put into circulation and we are ready to give you gold coin." If these things are done, people will believe in the Government, they will have no suspicion whatever. They would say "whether the gold is with us or with the Government it makes no difference because they give us a note when we want and they are ready to cash it into gold the moment we present it. They give us silver rupees and they will cash them into gold whenever we present them." This is the method adopted by every country in the world to win the confidence of the people and to make them cultivate the habit of doing away with the hoarding habit. If, on the other hand the Government is anxious to demonetise that very sovereign the result is quite the reverse. Here is a Government; it is a stepmotherly Government, a Government that is not interested exclusively in the country that is being governed by it, it is always interested in its own country primarily and only secondarily in this country; whenever legislation is proposed it is anxious that its own country's interests do not suffer in any way, and it takes good care to see that they are safe. Under these circumstances it is only natural that such a Government should be suspected by the people; and if the

[Mr. T. Prakasam.]

Government's anxiety is to remove this suspicion and to remove the habit of hoarding altogether what the Government should have done is to have decided to keep the gold coin as a current coin. A gold note should be introduced and the Government should tell the public "Look here, do not keep your gold like fools in your houses or under the ground. We are protecting your interests here. You bring back your gold to us. We are ready to give you gold whenever you want it." That is the way in which the Government should have gone about the business. Instead of adopting that course, when this Currency Commission came here and made some recommendations in the way that recommendations were usually made in the past by such committees, they went after them. The Honourable Member in charge of the Bill has abandoned his own scheme.

**The Honourable Sir Basil Blckett:** May I ask, Sir, if the Honourable Member is in order in now discussing the general question?

**Mr. President:** The Honourable Member it seems is not willing to give way.

**The Honourable Sir Basil Blckett:** Sir, I desire to raise a point of order. Is this in order? The Honourable Member is again discussing the general question of the introduction of a gold currency which is quite a different question to the demonetisation of the sovereign; and I would ask that he might be required to confine himself to the latter.

**Mr. President:** As regards the point of order raised by the Honourable Member, the Chair is of opinion that it is so difficult to separate the two questions that the Chair is bound to give some indulgence to Honourable Members. However, I would ask the Honourable Member to confine himself as far as possible to the question before the House.

**Mr. T. Prakasam:** Very well, Sir. In the Currency Commission's Report, on page 26, paragraph 25 says:

"The obligation to sell gold coins for all purposes makes it impossible to have any gold coin as legal tender or to mint gold for the public unless and until the holding of gold in the reserves is big enough to make it possible to accept the obligations implied in the introduction of a gold currency and it is decided that the introduction of such a currency is desirable."

Now, Sir, I propose to take this one clause written by the Commissioners in their Report and submit to Honourable Members of this House that on the basis laid down by themselves, it is in the interest of this country that the gold coin should not be demonetised in the manner suggested by the Government now. They want to make the gold reserve a big one. The reserve can be made a big one by purchasing gold and by offering to the people again in a reasonable quantity, gold for sale in return. What is it that it is offering by this Bill? It is 1,065 tolas of bar gold. "If you bring 1,065 tolas to us here we will purchase it." That is what the Government says. The 1,065 tolas have been reduced by the House to 40 tolas so far as their buying power is concerned. So far as their selling power is concerned it has yet to come and they say now the minimum is 1,065 tolas in bars. How many can sell in such quantities? The object of the Commission is to have the hoarding of gold in the reserve big enough to make it possible to have a gold currency. They say they would have,

a gold currency, they would have a complete gold standard provided they get sufficient time to make their reserve of gold sufficiently big. We request Honourable Members of this House not to demonetise the sovereign but to keep it a current coin, to keep it a legal tender, because plenty of gold will be forthcoming into the Government reserves if they only say "We will pass currency notes; we will give you silver or gold coin and make them convertible." If they only say that, their exchequer will be full of gold in no time. The reverse process is adopted by the Honourable Member in charge of the Bill on the basis of this recommendation of the Commission. I would submit to Honourable Members of this House not to take such a serious and fatal step as voting against this amendment and in favour of demonetization in the manner some friends thought they could do on other amendments in the past on the assurance given by the Honourable Member that all these would be open for discussion again when the Reserve Bank Bill comes up during the Simla Session. Except that assurance he gave no answer to any of the questions raised in the discussion in his final reply. I therefore submit to all of you not to repeat such a serious error again by voting in favour of clause 2 which demonetises the sovereign, which does away with the sovereign, which reduces it to a deadweight of dust. If my friend sitting there had only known the process of legislation, and the method adopted by the Government to reduce this Rs. 15 to Rs. 10 in the Statute-book, my friend would not be shaking his head in the way in which he does now. Rs. 15 was the value fixed for a sovereign in the Statute-book. In order to reduce the value of the sovereign to Rs. 10 they were afraid to bring in an amending Bill before this Assembly straightaway. They wanted to kill it indirectly before the matter was placed before this House. What was done, Sir? In June 1920 from Simla an Ordinance called the Gold Ordinance was promulgated in which they stated that the legal tender character of the gold sovereign should cease to be in operation three weeks after the date of that notification. Within three weeks all those who had gold sovereigns in their possession should produce them and present them at their currency offices and they would get in return—what? They would get in return currency notes at Rs. 15 per sovereign—not even silver rupees; and currency notes during that period had gone down in value. The Government was then passing through a most critical stage of finance. This is the substance of a telegram sent from the Viceroy on the 8th November 1919: the Gold Ordinance which was promulgated from the top of the Simla hills was in June 1920. The telegram says:

"The highest rates of discount on currency notes reported during 1918 were 19 per cent. in the Central Provinces, 15 per cent. in Bengal and 13½ per cent. in Burma."

But His Excellency added that during 1919 the highest reported rate of discount was 8 per cent. The note had gone down in value; it was not possible to get full value for it; the credit of the Government was at the lowest. Was that the occasion for the Government to choose, to kill the sovereign—a sovereign that was valued at fifteen rupees—to reduce it to ten rupees?

**Mr. President:** We are not considering the Ordinance of 1919.

**Mr. T. Prakasam:** No; certainly not, Sir; but I am very anxious that the position should be stated clearly.

**Mr. President:** I dare say you are.

**Mr. T. Prakasam:** So my submission is that the reduction from Rs. 15 to Rs. 10 was under those circumstances . . . . .

**Mr. President:** That is hardly relevant on this amendment.

**Mr. T. Prakasam:** Well, Sir, I do not like to enter into any controversy with you. My submission has been that it has everything to do with regard to this principle; but in view of your ruling I shall not trouble the House now with it. I would therefore request Honourable Members to treat this as a serious measure, more serious than any other amendment proposed by any of us on this side with regard to the introduction of a new gold standard. I would request Honourable Members humbly not to do away with this gold standard and gold coin. When the Honourable Member offered to omit this clause last time, much time was not taken with regard to the debate; the Honourable Mr. Shanmukham Chetty alone spoke and my Honourable friend, Mr. Kelkar spoke for about ten minutes and the House was then adjourned. That is where we stood; to-day he says "with a view to save time" he made the offer and would not repeat it. If he intended to save time the other day he ought to decide to-day with regard to further amendments.

**Sir Victor Sassoon** (Bombay Millowners' Association: Indian Commerce): Even though, Sir, I might not be ruled out of order, I do not propose to delve into the mists of antiquity and give the House a history of the gold currency of India because that has already been done by able men. I think it will be admitted, if not by everybody, by nearly everybody, in this House, that a gold currency in circulation with complete convertibility is not within the range of practical politics at this moment. That is to say, it would be unreasonable to ask the Government to give us gold mohurs or sovereigns for silver rupees and paper notes, and I think at the same time that though we admit that this is not practicable to-day, most of us do hope that the time will come when we shall have the right to go to the Government and ask for gold coin for our silver rupees or our paper, even though we may not exercise that right. But a number of us up here would like to see with as little delay as possible a fully valued gold coin, something we can see and something we can touch and for that coin to be our standard coin. I know that the Honourable the Finance Member will tell us that this Bill fixes the value of the rupee definitely in terms of gold—in grains of gold; and therefore we have got our standard. But unfortunately the Government is to-day reaping the harvest which was sown in the past, when the rupee was linked to sterling. I am fully aware that there was no legal obligation in the past for the Government to give sterling for rupees; but there was a moral obligation to do so, and as in those days sterling was synonymous with gold, I think the people of this country had every right to consider the rupee merely as a token coin representing one-fifteenth of the sovereign, just as the shilling represents one-twentieth of the sovereign, with the difference that the rupee would be more like the American silver dollar or the French five-franc piece in being unlimited legal tender. I think therefore that the feeling in this country is that it wants a fully valued gold coin as its standard instead of a note printed on silver, that note printed on silver being as it is to-day the only representative of the country's currency, just as in England even to-day anybody can go to the Bank of England

and get five sovereigns for a bank note; whether it is in fact a legal obligation or not I do not know . . . . .

**The Honourable Sir Basil Blackett:** No, it is not. As a matter of practice they do not do so.

**Sir Victor Sassoon:** As a matter of practice?

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

**Sir Victor Sassoon:** As a matter of practice I have done so; I did get five sovereigns for a five-pound note; as I say it may not have been legal eighteen months ago, but in practice I did get it. But I was told that I was not to export those sovereigns: I was told if I merely wanted them for inside England and if I was not going to export them, then I could have them. So that is why I have a great deal of sympathy with the Honourable Mr. Chetty's amendment because what is it in effect? It is in effect a desire that the sovereign should be the visible symbol of the currency of this country pending the substitution of a gold mohur. That I think is what Mr. Chetty wants, and I have the fullest sympathy with that desire.

But unfortunately I do see some practical disadvantages to the amendment. If you let the sovereign be legal tender at the effective ratio, which is what Mr. Chetty suggests, and if at the same time you give the citizen every right to get sterling for his silver rupees and for his paper, you will in an indirect way—it is true—but you will in fact be laying down that the silver rupee and the paper note is convertible into gold coin; and the reason why is this: it is because you can take your silver rupees and your paper and you can get sterling for it and with that sterling you can buy sovereigns or get a bank to buy sovereigns for you. I think if anybody wants it the Chartered Bank is perfectly ready to buy sovereigns in England for sterling or bullion and bring them out here; and if you allow these sovereigns to be legal tender you are in effect converting silver rupee legal tender and paper legal tender into a gold coin legal tender; that is what you are doing in effect.

Now, Sir, what will happen in practice? The Honourable the Finance Member has blazoned the fact throughout the country that the rupee is really only worth its silver content, that is to say, about 8d. and you cannot blame the people of India if they take advantage of this amendment, if it is passed, to turn their silver rupees and their paper into a fully valued gold coin . . . . .

**Mr. A. Rangaswami Iyengar (Tanjore cum Trichinopoly: Non-Muhamadan Rural):** That is not the amendment.

**Sir Victor Sassoon:** That is the effect of the amendment because, look at what will happen. If this amendment passes I will show you what will happen in an indirect way. Bullion brokers would get sterling for silver rupees and for paper from the Government; instead of buying bullion they will buy gold sovereigns and then will sell them for say Rs. 18 to the people here, the people here will give them in return silver rupees and paper, and the bullion merchant could take those silver rupees and paper, and do the transaction all over again; so that in the end the Honourable the Finance Member will find that he is getting a lot of silver rupees, he is getting a lot of paper and he is giving for them all his sterling reserves

[Sir Victor Sassoon.]

in England. He may even find it necessary to borrow sterling to meet his obligations, and to do this without in any way getting away from the obligation of having to keep this rate 1s. 6d. if the external balance of the trade happens to be against India.

Now, Sir, as I said before, I am afraid that because it has been blazoned in this country that the rupee is only worth its silver content you will get a rush for sovereign if this amendment passes. It is perfectly true that the Honourable the Finance Member will no doubt say what we have been saying for weeks past that the fact that the natural value of the rupee is only its silver content has no more significance than the equally incontrovertible fact that the American silver dollar is only worth its silver content. But people will say that this seems to be a new assertion, and that the Honourable Member has been emphasising the former view during the ratio discussion and therefore one could not blame them for proceeding cautiously and converting their token currency into full valued currency. That, Sir, is why I suggest to this House that it will be dangerous to support this amendment, although I admit that there is quite a natural and widespread desire to keep the sovereign undemonetized, if I may use the clumsy word, until we have got a gold coin to take its place.

Now, Sir, I have been trying to think out if there is not some way to get out of this difficulty, and it is with the greatest diffidence that I make a suggestion which, I hope, will meet the difficult situation. I think my Indian friends will be satisfied if a gold coin was the definite standard value of the country and if a definite date were fixed at which time that coin would circulate even if only in a restricted manner. Now, if the Government were in its Gold Currency Bill to lay down that the standard coin of the country should not be a rupee but should be a gold mohur of a certain weight and fineness and if it should strike a number of samples of this gold mohur so that the coin of the country should not be the rupee but a gold mohur, and if at the same time it would say if you give us gold we will give you not an ordinary note which you get to-day, but we will give you a note which will say that that note is worth so many gold mohurs; and if a period of ten years were to be fixed within which it could be cashed either in silver rupees or notes or in gold mohurs at the option of the Government after which it could only be cashed in gold mohurs you would be getting somewhere to the point which we are all trying to reach. You would be giving Government breathing space, and at the same time the Government would know its liability, for the liability would be that it must supply gold mohurs if asked for for the number of notes that were issued ten years before. I do not know if this attempt of mine to make a constructive suggestion will result in a feasible one, but I do think it is well worth careful consideration, and I do offer it to both sides of the House in the hope that it will prove a practical solution of what is admittedly a very great difficulty.

(Several Honourable Members moved that the question be put.)

**Mr. V. K. Aravamudha Ayangar** (Finance Department: • Nominated Official): Sir, I rise at this stage to answer some of the points which have been raised by my friend Mr. Chetty, points which have been very carefully considered by the Currency Commission. He complained, Sir, that the Commission have made a most bald and dogmatic statement in

paragraph 65 of their Report, that the retention of the legal tender character of the sovereign was impossible with a gold bullion standard. He also complained that that statement had not been properly explained. If my friend will only turn to paragraph 53 of the Report and to the later paragraphs which deal with the constitution of the reserves, he will find that the Commission have devoted considerable time and considerable space in the Report to the discussion of the essential principles which underlie this recommendation for the demonetisation of the sovereign. I think, Sir, the difficulty with Mr. Chetty has been, like every other Member, that his point of view has been rather obscured by the ratio controversy. He has read the Report, he has read the evidence; he has read it once, he has read it twice; but he has forgotten everything except the controversy of the ratio.

He was prepared to concede, Sir, that the demonetisation of the sovereign may be necessary in connection with the gold bullion standard, but he saw no reason why in connection with the gold exchange standard or the standard which would be introduced by this Currency Bill such a step was necessary. I will first deal with the second point. Under clause 5 of this Bill the public in India has the option of taking their legal tender currency to the Currency Authority and getting gold exchange at 1s. 5½d. per rupee. They can convert that gold exchange in London into gold so long as there is a statutory obligation on the Bank of England to convert the gold exchange into gold and have it shipped to India; and when it comes here, the public will have got gold at 1s. 5¼d. per rupee. This is exactly, Sir, the rate at which under the gold bullion standard the Commission have recommended that the Currency Authority in India and later on the Reserve Bank must give gold to the public. This, Sir, should prove to Mr. Chetty that if the demonetisation of the sovereign is absolutely necessary in connection with the gold bullion standard, it is also necessary in connection with the gold exchange standard.

To turn now, Sir, to the question how the demonetisation of the sovereign is essential. Under clause 5 of this Bill, the Currency Authority, for the first time in the history of the Indian currency system have undertaken a statutory obligation to convert all legal tender currency without limit of amount into gold exchange. It is an obligation which they have not taken for a long time as it involves a very great responsibility. This responsibility is fulfilled by the Currency Authority keeping a certain percentage of gold and gold exchange in the reserves. The maximum amount of this gold or gold exchange to be kept in the reserves is determined by the excess of India's foreign payments abroad over India's credits abroad; that is, the maximum for the gold and gold exchange in reserve is the adverse balance of trade for India. But every sale of gold or gold exchange involves a contraction of an equivalent amount of internal legal tender currency, and there is a limit beyond which it is impossible for the Currency Authority to contract the currency. This is called the contractability of the currency, and usually in all countries which work on a gold exchange or a gold bullion standard, the maximum of the total amount of gold or gold exchange kept in the reserves is fixed by this contractability of the currency. The problem in India is not so simple as it is in other countries on account of the existence of large amount of legal tender currency in hoards. I do not use the word "hoards," in any bad sense; I use it in the sense that a large amount of legal tender currency



[Mr. V. K. Aravamudha Ayangar.]

is not effectively functioning as currency. The experience of the last few years has been that there has been a tendency for these silver hoards to be replaced by gold bullion. Since the Commission reported, our silver rupees in the Reserve have mounted up from 85 to 105 crores. And as this process goes on, the difficulty in the existence of silver hoards in undertaking any scheme of monetary reform for India will gradually disappear. And what about gold hoards? Mr. Chetty himself has said that there are about 200 crores of sovereigns in hoards. I do not know if he really used the word "hoards", but what he said was that it was not in effective circulation. What will happen if these 200 crores of gold coin come into circulation at any time? They will make it necessary to withdraw a corresponding amount of token currency, if the legal tender character of the sovereign is retained. The Currency Authority will be presented with a large amount of legal tender currency for conversion into gold and gold exchange, for which they have not made provision. This is absolutely impossible for the Currency Authority to undertake at present. The object of the Commission's proposals therefore is to render innocuous that portion of the hoards which consist of gold coin, so that the Currency Authority may have control over the volume of monetary circulation in India and thereby maintain the exchange value of the rupee stable.

So much has been said in favour of the proposals of the Finance Department that I may be permitted to refer to them. That Department placed certain proposals before the Currency Commission and wanted to introduce a gold standard *plus* a gold currency in four well-defined stages. The first was the introduction of a gold bullion standard. The second was the introduction of an optional gold currency. The third was the introduction of a statutory gold currency system; and the fourth was the reduction of the legal tender character of the rupee. The Commission went into every detail of these recommendations and considered that in the present position of India, in her own best interests, it was impossible for the Currency Authority to undertake an obligation beyond what was contained in the first stage of the Finance Department's proposals. The retention of the legal tender character of the sovereign will, as I have shown, place on the Currency Authority an obligation which the Commission have definitely decided it is impossible for it to undertake at present. I therefore appeal to the Members, if you are not going to wreck the Currency Commission's recommendation, please accept this portion of the recommendation.

Mr. Chetty has also inquired why England, which has also introduced a gold bullion standard, did not think it worth while to demonetise the sovereign. It is not that England was unaware of the difficulty of working the gold bullion standard with the gold sovereign in circulation. But, Sir, there are many things that can be done by an appeal to intelligence and patriotism in England that cannot be done here. (*Several Honourable Members*: "Question.") Everything that comes from the Finance Member is treated with a considerable degree of suspicion. I may be permitted to quote here a few sentences from the speech of the Chancellor of the Exchequer when he introduced the gold standard in April 1925 in the United Kingdom:

"Returning to the international gold standard does not mean that we are going to issue gold coinage. That is quite unnecessary for the purpose of the gold standard.

and it is out of the question in present circumstances. It would be an unwarrantable extravagance which our present financial stringency by no means allows us to indulge in. Indeed, I must appeal to all classes in the public interest to continue to use notes and to make no change in the habits and practices we have become used to for the last 10 years. The practice of the last 10 years has protected the Bank of England and other banks against any appreciable demand for sovereigns or half sovereigns."

Practical steps have also been taken to demonetise the sovereign. Honourable Members are aware that previously there was a statutory obligation in England that no Bank of England note could be issued for less than £5. The object of this was that so far as the daily needs of the country went, the sovereign must circulate for those requirements. The introduction of the £1 and 10s. notes since 1915 and the proposal for their perpetuation later on, tend to show that England has gone away from gold coinage for ever. (*An Honourable Member*: "The sovereign has not been demonetised in England.")

My friend Sir Victor Sassoon referred to the *practice* in England. The question was put to the Governor of the Bank of England:

"Under the currency legislation in force in this country at the present moment the Bank of England note and the currency note are convertible no longer into sovereigns but into gold bullion?"

He answered: "Yes". He was asked again:

"Does the Bank of England in practice cash notes in sovereigns?"

He said:

"It does not in practice. I do not mean to say that occasionally an individual is not obliged. We do sometimes oblige an individual,"

—specially when the individual happens to be a big man (Laughter)—

"but as a general practice the bank does not pay its notes in coin."

It has been stated in the course of the debate that just as England had to go through the gold currency stage before the gold bullion stage, India should also pass through a similar process. This question was put to Mr. Maynard Keynes—an authority very popular on the other side—and let me quote from his evidence:

"It has been suggested to us that just as Germany and England had to go through that stage before they came to the present stage, surely India is entitled to go similarly through the gold coinage and circulation stage?—I think if India wants to go through every stage she had better start with cowries."

"I only want your opinion on that point, because it is an argument that has been put to us in India?—You mean the idea is that India is to begin by making all the mistakes that it is possible to make, and to adopt in turn all the obsolete currencies."

"England has now reached the gold exchange standard practically. It has been suggested that India, not having gone through the gold currency stage, ought now to go through the gold currency stage in order to familiarise her people with the gold coinage?—Nobody would make the same proposals as regards cotton machinery or motor cars, would they?"

If India really wants to have a gold coin, Sir, it cannot be the sovereign. In the first place the value of a sovereign is Rs. 13-5-4. It is a most inconvenient fraction and it can never circulate. The experience of the Government of India in connection with their Rs. 2-8 notes was most bitter, and they ultimately had to withdraw them from circulation, and a lot of these note forms was burnt. Secondly, Colonel Willis, the Mint

[Mr. V. K. Aravamudha Ayangar.]

Master, in his evidence before the Commission drew attention to the fact that the present fineness of the sovereign facilitates its being melted down for the purpose of ornaments. It does not circulate as currency in India. Of course it circulates on the system of the fair daughters of India. Lastly, Sir, the Government and the Currency Authority must have some control over the total volume of gold coin that is put into circulation. The Right Honourable Montagu Norman, when asked as to when he expected gold coin to circulate again in England, replied:

"When our international position becomes so strong and our exchange rates so high and so satisfactory that gold will come in greater amounts than we need into the Bank reserves; then we shall be glad to use part of the redundant gold for circulation."

So might it be in India. When the gold reserves are more than sufficient, the Currency Authority may think it desirable to inject a portion of the redundant gold into hand to hand use. But the amount of gold so put into circulation should be at the discretion of the Currency Authority and will be limited in amount. The Currency Authority will have full control over the volume of monetary circulation and through that the stability of the purchasing power of the rupee.

The Currency Commission did not look at this point solely from the point of view of the convenience of the Currency Authority. They also considered whether, from the point of view of the Indian public, there would be any inconvenience in carrying out these proposals. Although sovereigns are legal tender under the Act, they have not circulated for the past 10 years. But look at the figures of imports of sovereigns. If you take the period of 5 years ending 1913-14, you will see that India imported annually about 11 crores worth of sovereigns in that period. In 1925-26 she imported an equal amount of sovereigns. That only shows that India will get all the sovereigns she requires and there is no need to fear that this proposal to demonetise the sovereign will inconvenience the public.

Finally I wish to draw particular attention to one paragraph of the Report. In paragraph 167 the Commission 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 of any of their integral parts involve the danger of destroying their balance and so preventing the efficient and smooth working of the whole."

I appeal to the House, do not wreck this scheme. Give the Currency Commission a patient hearing. Give its recommendations a fair trial and you will not regret the action that you have taken. (Applause.)

**Mr. A. Rangaswami Iyengar:** Sir, if I intervene in this debate to-day to support the amendment moved by my friend Mr. Chetty it is not because I want to revive the controversy of the ratio, but because I feel that the original section of the Bill would in my opinion remove the last vestige of hope that may exist in the mind of the people that the Government is either serious or in earnest in its idea that it will give way to the people's wish in establishing a gold coinage in this country. Sir, I have been hearing my friend Mr. A. Ayangar's very learned speech, but with all respect I think it is absolutely wide of the mark. (*Several Honourable Members:* "No, no.") I feel, Sir, that whatever he has said as to the merits of the gold bullion standard, or as he more frankly put it in some

parts of his speech, the gold exchange standard, which is really what is now established in this country, the merits of the gold exchange standard have nothing to do with the demonetisation proposals that have been made in the Government Bill. What is the pretext, Sir, with which the Government supports this proposal to demonetise the sovereign? So far as the demonetisation of the sovereign is concerned, I submit, Sir, that in the original proposals made by the Government of India for a gold currency—a matter to which my friend Mr. Prakasam also referred—they had no proposal whatever that sovereigns should be demonetised in the first instance as a necessary transitory provision for the final establishment of the gold currency, nor in the questionnaire which was sent to all the people who were examined before the Currency Commission was the idea that gold coins should be demonetised in the first instance for the purpose of introducing a reformed currency, put forward. I think there was really no evidence, no substantial amount of evidence before the Commission, which went to deal with this matter. I think, Sir, that the real basis of the proposal that is just now made is found in the fact that the Government have really made up their mind that the standard of currency that should be established in this country is the gold bullion standard and possibly the gold exchange standard eventually, if the gold bullion standard would not work, and not a currency based on a gold coinage. Sir, the Honourable the Finance Member when he introduced the Reserve Bank Bill and made his general speech made to us various promises. He said that whatever view be taken as to the necessity or the expediency of having a gold currency in this country, of having a gold coinage that will really circulate, the first essential step for that purpose would be a gold bullion standard. He said that that was the road *via* which we should advance to the possession of a gold currency. I want to put it to him, Sir, that, if we are to accept the recommendations of the Commission, this would not happen, for what do the Commission say?

“The essence of the proposal which we proceed to develop”

—that is the gold bullion standard—

“is that the ordinary medium of circulation in India should remain as at present the currency note and the silver rupee, and that the stability of the currency in terms of gold should be secured by making the currency directly convertible into gold for all purposes, but that gold should not circulate as money. It *must* not circulate at first, and it *need* not circulate ever.”

Therefore, Sir, the whole point is this. If you now make it impossible for gold to circulate as money, it will become unnecessary to allow it to circulate at all hereafter. Sir, the whole object of this section, I say, is not only to demonetise the gold sovereign but to make it impossible for the gold coin ever to circulate hereafter. That is the basis of this proposal. Whatever may be the way in which the Finance Member views this question,—he might say “Ah, let us consider this matter again when the permanent Act is to be placed on the Statute-book”. Whatever he might say—I say, Sir, if we now demonetise the sovereign we will for ever place this gold coin question out of the range of practical politics in this country. If that is his idea, Sir, I think that he should say so . . . . .

**The Honourable Sir Basil Blackett:** That is not my idea.

**Mr. A. Rangaswami Iyengar:** I am glad to find that it is not his idea. All the same the effect of the proposals will be exactly what I have portrayed. (*An Honourable Member:* "No.")

Now, Sir, what I am pointing out is that the system that he now wants to inaugurate in this country is what he calls the gold bullion standard. The gold bullion standard according to him is to go through three stages. Between now and 1931 it is going to be a really gold exchange standard and during this period therefore it is obvious that the bullion standard, whatever its unit, will place bullion in this country in the position of being used as a monetary article. My friend Mr. Aiyangar dealt with the question of bullion being available in sovereigns or in other forms, in bars, whenever this country may want it for other than monetary purposes. But, Sir, the object of the gold bullion standard, as compared to the gold exchange standard, is not merely to make the gold an effective monetary material for external purposes—which is what an exchange standard stands for—but to make gold a monetary material in this country. That is, the people in this country should know that for every currency note they possess they can always go to the Mint and obtain gold; therefore *per contra* every man who has gold can take it to the Mint and take currency notes or rupees as the case may be. That is the idea; if I may say so, that is the psychology of the whole of this matter. It is not the case merely of a man wanting to make gold ornaments who is asked to go to the Mint and buy gold. He can always go to the bazaar and buy it. The actual supply of gold for non-monetary purposes is made by the bazaar and the bazaar of course will buy through the currency office or through banks as the case may be; so that the argument that the gold bullion standard is intended to make gold available for other than monetary purposes is no argument at all. The question, therefore, is whether when you say you are establishing a gold bullion standard in this country you are declaring that in this country every man can obtain gold for a currency note and *vice versa*. That, I say, is not answered by this Bill. I think it can only be appropriately answered as I said in the debate on the Reserve Bank Bill—I quoted an American authority—it can only be appropriately answered when the man in the street in this country comes to feel that a certain amount of gold is in actual circulation or is in a state in which he can always obtain it. As that authority I quoted before says:

"The presence of a substantial amount of gold in general circulation has a splendid psychological effect and is a very important factor in combating money heresies. The ordinary man thinks—"

—and I think the man in India thinks particularly—

"in very simple terms, . . . he wants to have his currency on a simple and easily understandable basis, but he is quite capable of understanding the true theory of paper money only if that theory is emphasised in his daily practice. The true theory of paper money is, as this authority points out, that a piece of paper money is a demand promissory note, a promise to pay real money—gold—on demand. If the ordinary man has in his own practice an opportunity to test this principle, to present paper money for redemption, and to have it redeemed, to get gold when he wants it, and to turn in gold for paper when it is more convenient to use the paper, he is not easily misled by fiat money propagandists."

Therefore, Sir, I warn the Government that the step which they now propose to take in regard to the demonetisation of the sovereign will definitely remove from the psychology of the people the idea that the Government have any intention of having a gold currency in this country. First of all,

the man who takes a note or a silver rupee will at least nowadays, even if you fix the ratio at Rs. 13-5-4 to-day, have the idea that sovereigns are also in actual circulation,—that if you take a sovereign to the Mint you will get Rs. 13-5-4 or if you go and pay a sovereign he will accept it as full legal tender in payment of his indebtedness and *vice versa*. If you remove that psychology, if you tell him “ Hereafter this is to mean so much gold but you will get the value for it only in currency or in token rupees”, you are, I say, removing the very idea of gold from his mind and making him feel that your currency is neither gold bullion standard nor gold coinage standard and it is only gold exchange standard manipulated by the Government with a view to keep the currency circulation in their control and with a view to maintain high exchanges in the way in which they have done by raising the rate from 1s. 4d. to 1s. 6d. to-day and by asking us to legalise that position.

Sir, we have been told that this process of the gold bullion standard is the gate through which we must go to the gold exchange standard. I ask whether that is the stage in England. My friend Mr. V. K. Ayangar waxed eloquent over the fact that in England as a matter of fact it is a gold bullion standard that exists. As Mr. Shanmukham Chetty and Mr. Prakasan repeatedly asked, has the sovereign been demonetised? No. The point that my friend put is that although the sovereign is not demonetized, in practice the people have demonetized it. My friend Sir Victor Sassoon told us the other day that he was able to get sovereigns whenever he wanted them and my friend Mr. Ayangar said if the people do want sovereigns they are given them. Therefore, the fact that these sovereigns are there and that these notes are put down in terms of sovereigns shows that there is a gold coin of a certain dimension and value which these notes represent, and therefore so long as that psychological fact remains it is wrong to say that in England they actually have the gold bullion standard. I say therefore that in this country it is very unsafe to say you must demonetize the gold sovereign because it will be impossible for the Government to convince the public that the standard you are introducing is really a gold bullion standard or that it will hereafter lead to the establishment of a real gold currency. I will only say one thing, Sir. The Government state that one of the main objects of this Bill is to get the money from the hoards and to be able to control the currency circulation either by themselves at present or by the banking authorities subsequently, and they say that the best way of doing this is to demonetize the sovereign. Much has been said of the habit of hoarding in this country, but I put it to the Finance Member whether it is not right from his own point of view to bring the gold or other precious metals in this country into more effective circulation, to see that the sovereign shall circulate than to say the sovereign shall not circulate, but go back to hoards? Yet that is what the effect of the proposal in the Bill will do. If the object is to bring out all the gold sovereigns that have gone out of circulation, the proper method is not to demonetize because that will send them back to the hoards, waiting for the time when it will be useful to bring them into circulation. After all, it is well known that the number of sovereigns in actual circulation is not very great, but the real point of the amendment of my Honourable friend Mr. Chetty is not that it will bring a lot of sovereigns into circulation. As a matter of fact, except for non-monetary purposes, not many sovereigns would be imported into this country under any conditions of exchange which we can foresee. We

[Mr. A. Rangaswami Iyengar.]

know as a matter of fact that sovereigns will not be allowed to be exported out of the United Kingdom and it is unlikely that conditions in Australia or South Africa will develop to such a degree that any large quantities will be available . . .

**Sir Victor Sassoon:** You cannot give notes and get sovereigns for export, but a bank can make arrangements to buy sovereigns for export.

**Mr. A. Rangaswami Iyengar:** All I am saying is that in England that will be prevented.

**The Honourable Sir Basil Blackett:** No, there is absolutely no prohibition against the export of sovereigns from England.

**Mr. A. Rangaswami Iyengar:** I know there is no prohibition, but I know that the Governor of the Bank of England in his evidence has said that he has the very strongest objection to have sovereigns in any amount taken away from England at the present time, even for the realisation of our own securities . . .

**The Honourable Sir Basil Blackett:** Not from England, but from the Bank of England's reserves, which is quite a different thing.

**Mr. A. Rangaswami Iyengar:** Then I can only say that the statement of the Finance Member and of Mr. Ayengar that sovereigns are not in active circulation in England is absolutely unfounded. If sovereigns are not in active circulation and the Bank of England will not part with the sovereigns which have come into their vault, where could the sovereigns come from for exports, I cannot understand. The whole position seems to me to be this, if Government is really serious and if his appeal to my Honourable friends Mr. Prakasam, Mr. Kelkar and others in regard to this gold coin is really sincere, I think the Government ought not to oppose this very very small matter which, as I say, keeps the psychological aspect of the matter alive. The people will still know that Government intend to give us a gold coin, that sovereigns are in actual circulation and that they are legal tender. If you make the people go from one disaster to another, namely, from a disaster in which they have been compelled to accept the 1s. 6d. ratio another disaster in which they will know that no gold coin will ever come into circulation in this country, that is not the way in which you are going to establish a sound, popular currency in this country.

**Sir Purshotamdas Thakurdas** (Indian Merchants' Chamber: Indian Commerce): Sir, I promise to be very brief, and would not have spoken but for the speech made from the Government Bench opposite. The explanation given by the Honourable Member from the Finance Department regarding the absolute necessity of demonetizing the sovereign has not taken me by surprise. The question is, why did the Royal Commission not put all that he has just said in their Report explaining the necessity for this action? As I do not wish, Sir, to take more time than I can help I will suggest it to the Honourable Member for his consideration whether, when under the various stages that he traced, the sovereign does come out, there is any necessity for any cover in the Government Treasury for the sovereign in circulation? The sovereign carries its own cover; it is a full value gold coin and if anybody takes that coin to the Reserve Bank or the Imperial Bank, as the case may be, and wants exchange on London, the Government are in the happiest of positions . . .

**Mr. V. K. Aravamudha Ayangar:** I was not saying sovereigns will be presented to the Currency Authority; I wish they were. It is other legal tender currency that will be presented for conversion into gold. What will happen is that gold coins coming out into circulation will make an equivalent amount of legal tender currency redundant.

**Sir Purshotamdas Thakurdas:** I see, the point then is that the sovereign will replace the rupee or the note in circulation; I am more surprised at this than before. What is the capacity of the masses in India to handle sovereigns? I am really surprised at that statement. Surely it is not denied that the sovereign if in hoards is in hoards of rich bankers in districts, not with the masses in large quantities.

**The Honourable Sir Basil Blackett:** Does the Honourable Member forget the 180 crores of currency notes?

**Sir Purshotamdas Thakurdas:** I do very well remember them, but the Honourable Member must know where the notes for rupees 180 crores are in circulation. If he chooses to tell me where the 180 crores are, he would find the explanation self-evident. To say that the sovereign will replace the rupee and the five-rupee note in actual circulation is a piece of information which I am very glad to have, and especially to have from a representative of the Finance Department. It will always be useful. I suggest, however, that for serious practical consideration there is nothing in the ground put forward that when the sovereign comes out of hoards into circulation it will baffle the Currency Authority. The sovereign carries its own cover and the more sovereigns come into circulation, the easier it will be for the currency authorities.

Sir, the point is, will the continuation of the sovereign as a legal tender coin wreck the scheme? A good deal of emphasis has been laid by the Honourable the Finance Member and his friends on the other side warning this House not to wreck the scheme. I feel that much more than a mere assertion is required to tell the House how this can wreck the scheme. Even in England to-day you can take a sovereign to the Bank of England and ask them to give you Bank of England notes . . .

**The Honourable Sir Basil Blackett:** Does the Honourable Member deny that the Currency Commission say it will wreck the scheme?

**Sir Purshotamdas Thakurdas:** It may have done so. I differed from it and I stand by my opinion. Because my colleagues said something, it does not mean I am not entitled to my own opinion. I am still open to conviction but the only thing is you make a shibboleth of this bogey of wrecking the scheme and I am afraid you are prejudicing the House. The real point is that with a 1s. 6d. rate the sovereign is reduced to a very inconvenient figure, Rs. 13-5-4, and the apprehension of the Government is that, if the sovereign is allowed to be legal tender, the masses of India may soon perceive what has been done to their sovereign. I wish, Sir, that the effects of this may not be as bad as apprehended, but Government have themselves to thank for it. In any case it is hardly a reason for the step that Government now propose to take. An appeal has been made, Sir. We were told . . . Did the Honourable Member say anything? (*The Honourable Sir Basil Blackett:* "No.") I was saying we have been told by the Honourable Member that in England one can appeal to the intelligence and patriotism of the people. I admit that in India the standard of education is very low. I also admit, Sir, that owing



[Sir Purshotamdas Thakurdas.]

to the various acts of commission and omission of the Government, attachment to the Government may at times be on the wane; but I submit that patriotism to our motherland here is as great and as loyal to-day as it is in England. (Hear, hear). The whole difference is this that there patriotism is based upon confidence of the people in their Government and their currency system; on the other hand, here, in addition to the injustice done to India since 1899, the currency policy that is to govern the future is also such that confidence is being further rudely shaken. That is the difference. The people of India, even uneducated though they may be, know exactly, and they know better than any other set of people in the world what is to their interest and what is not to their interest. I therefore feel that the parallel which is sought to be drawn is very wide of the mark, and if correctly appreciated, should give the Government food for serious reflection.

One more word, Sir, and I have finished. It is said if you demonetise the sovereign people will not suffer. It has been urged that the Government will accept the sovereign at the various treasuries and at the currency offices for a few months. If there is anything like the large number of sovereigns which are said to be still in India Government cannot expect to draw all these sovereigns to their treasuries in a few months although I am prepared to admit that that would satisfy them extraordinarily. Having frittered away India's gold and gold reserves to the extent of 25 millions during the last year to support the ratio of 1s. 6d. they must like to draw all the gold they can from the people here. But they cannot possibly draw gold sovereigns in a few months' time. After that period the sovereigns are to be accepted at the treasuries and currency offices not at their value as a coin but at their bullion value. Supposing a man has 200 sovereigns and he takes them a year later to the Currency Office. The Currency Office will weigh the sovereigns and pay for the sovereigns by weight. Now all these sovereigns, as we know, Sir, suffer by what is known as being "sweated". If you take 200 sovereigns it is quite possible, it is very likely—I should be surprised if it were otherwise—the Government authority will say "I will pay you the value of 199½ sovereigns according to weight". That is, half a sovereign has been worn out and that would be the loss to that man. The question therefore is whether the sovereign which was made a legal tender in India as far back as 1898 should now be allowed to be demonetised. I submit, Sir, that in spite of what has been said on the other side, no case has been made out for it.

**Honourable Members:** Let the question be now put.

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

The motion was adopted.

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

"That clause 2 do stand part of the Bill."

Since which the following amendment has been moved:

"That in the Indian Coinage Act, 1906, section 11, for the word 'ten' the words 'thirteen-five-four' be substituted."

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

The Assembly divided:

AYES—49.

Abdul Latif Sahab Farookhi, Mr.  
 Acharya, Mr. M. K.  
 Aiyangar, Mr. C. Duraiswamy.  
 Aney, Mr. M. S.  
 Ayyangar, Mr. K. V. Rangaswami.  
 Ayyangar, Mr. M. S. Sessa.  
 Bhargava, Pandit Thakur Das.  
 Chaman Lall, Mr.  
 Chetty, Mr. R. K. Shanmukham.  
 Chunder, Mr. Nirmal Chunder.  
 Das, Mr. B.  
 Das, Pandit Nilakantha.  
 Dutt, Mr. Amar Nath.  
 Dutta, Mr. Srish Chandra.  
 Goswami, Mr. T. C.  
 Gour, Sir Hari Singh.  
 Gulab Singh, Sardar.  
 Haji, Mr. Sarabhai Nemchand.  
 Iyengar, Mr. A. Rangaswami.  
 Iyengar, Mr. S. Srinivasa.  
 Jogiah, Mr. Varahagiri Venkata.  
 Joshi, Mr. N. M.  
 Kartar Singh, Sardar.  
 Kelkar, Mr. N. C.  
 Kunzru, Pandit Hirday Nath.

Lahiri Chaudhury, Mr. Dharendra  
 Kanta.  
 Laxpat Rai, Lala.  
 Malaviya, Pandit Madan Mohan.  
 Mehta, Mr. Jannadas M.  
 Misra, Mr. Dwarka Prasad.  
 Moonje, Dr. B. S.  
 Mukhtar Singh, Mr.  
 Murtuza Sahab Bahadur, Maulvi,  
 Sayyid.  
 Naidu, Mr. B. P.  
 Nehru, Pandit Motilal.  
 Neogy, Mr. K. C.  
 Prakasam, Mr. T.  
 Purshotamdas Thakurdas, Sir.  
 Ranga Iyer, Mr. C. S.  
 Roy, Mr. Bhabendra Chandra.  
 Roy, Rai Bahadur Tarit Bhuvan.  
 Sarda, Rai Sahib Harbilas.  
 Sarfaraz Hussain Khan, Khan  
 Bahadur.  
 Shafee, Maulvi Muhammad.  
 Singh, Mr. Gaya Prasad.  
 Singh, Mr. Ram Narayan.  
 Sinha, Kumar Ganganand.  
 Sinha, Mr. Ambika Prasad.  
 Tok Kyi, U.

NOES—63.

Abdul Aziz, Khan Bahadur Mian.  
 Abdul Matin Chaudhury, Maulvi.  
 Abdul Qaiyum, Nawab Sir Sahibzada.  
 Ahmed, Mr. K.  
 Akram Hussain Bahadur, Prince  
 A. M. M.  
 Allison, Mr. F. W.  
 Anwar-ul-Azim, Mr.  
 Ariff, Mr. Yacoob C.  
 Ashrafuddin Ahmad, Khan Bahadur  
 Nawabzada Sayid.  
 Ayyangar, Mr. V. K. Aravamudha.  
 Ayyangar, Rao Bahadur Narasimha  
 Gopalaswami.  
 Bhoore, Mr. J. W.  
 Blackett, The Honourable Sir Basil.  
 Chalmers, Mr. T. A.  
 Coatman, Mr. J. J.  
 Cocke, Mr. H. G.  
 Dalal, Sir Bomanji.  
 Donovan, Mr. J. T.  
 Dunnett, Mr. J. M.  
 Gavin-Jones, Mr. T.  
 Ghazanfar Ali Khan, Raja.  
 Ghulam Kadir Khan Dakhan, Mr.  
 W. M. P.  
 Gidney, Lieut.-Colonel H. A. J.  
 Graham, Mr. L.  
 Greenfield, Mr. H. C.  
 Haigh, Mr. P. B.  
 Hezlett, Mr. J.  
 Howell, Mr. E. B.  
 Hussain Shah, Sayyed.  
 Hyder, Dr. L. K.  
 Innes, The Honourable Sir Charles.  
 Ismail Khan, Mr.

Jowahir Singh, Sardar Bahadur  
 Sardar.  
 Kabul Singh Bahadur, Risaldar-Major  
 and Honorary Captain.  
 Keane, Mr. M.  
 Khin Maung, U.  
 Lamb, Mr. W. S.  
 Lindsay, Sir Darcy.  
 Macphail, The Rev. Dr. E. M.  
 Mitra, The Honourable Sir Bhupendra  
 Nath.  
 Moore, Mr. Arthur.  
 Muddiman, The Honourable Sir  
 Alexander.  
 Muhammad Nawaz Khan, Lieut.-  
 Sardar.  
 Nasir-ud-din Ahmad, Khan Bahadur.  
 Naticque, Maulvi A. H.  
 Paddison, Sir George.  
 Parsons, Mr. A. A. L.  
 Rajah, Rao Bahadur M. C.  
 Rajan Baksh Shah, Khan Bahadur  
 Makhdum Syed.  
 Rau, Mr. H. Shankar.  
 Roy, Mr. K. C.  
 Roy, Sir Ganen.  
 Ruthnaswamy, Mr. M.  
 Sassoon, Sir Victor.  
 Shah Nawaz, Mian Mohammad.  
 Singh, Rai Bahadur S. N.  
 Suhrawardy, Dr. A.  
 Sykes, Mr. E. F.  
 Tonkinson, Mr. H.  
 Willson, Sir Walter.  
 Yakub, Maulvi Muhammad.  
 Young, Mr. G. M.  
 Zulfqar Ali Khan, Nawab Sir.

The motion was negatived.

**Mr. President:** As a result of the decisions arrived at so far by the House on this Bill, all amendments to clause 2 of the Bill except amendment No. 24 on the paper drop out. I therefore call upon Sir Basil Blackett to move his amendment No. 24.

**The Honourable Sir Basil Blackett:** Sir, I rise to move the amendment:

"That in clause 2 (a) of the Bill, in the proposed new section 11 of the Indian Coinage Act, 1906—

- (1) for the word 'June' the word 'September' be substituted; and
- (2) after the words 'Government Treasury' the words 'other than a Sub-Treasury' be inserted."

The provision regarding the receipt of sovereigns and half-sovereigns at their bullion value at Government treasuries was inserted in order to give facilities to the small holders of sovereigns. From inquiries made in Calcutta it appears that very considerable difficulties will be met with in making the arrangements at the treasuries for the sovereigns to be received at their bullion value, and more time is therefore required to make the preparations. We propose therefore that the date on which such coins should begin to be receivable at treasuries should be the 30th September instead of the 30th of June. That will not affect the question of their receipt at currency offices.

The second amendment is necessary because we find that the word "treasury" is not defined in the Indian Coinage Act or the Indian Paper Currency Act or in the General Clauses Act; and unless the word "treasury" is defined it is possible that the obligation undertaken in this clause might extend to sub-treasuries also, which besides being unnecessary would be extremely inconvenient. Our desire is to give full facilities for the receipt of sovereigns and half-sovereigns at their bullion value from the earliest possible date and to the fullest possible extent. Our object in making these changes is simply to bring them within the compass of our capacity. They will be of very little real import from the point of view of the convenience of those who wish to change sovereigns. I do not think that any further explanation is required from me, but I may perhaps make the general statement that the Government will do their utmost to extend all possible conveniences to the holders of sovereigns who may desire to change them at the treasuries or at the currency offices. In point of fact they will usually get a little bit more in the market, but if they do wish to bring them to the currency offices and treasuries we shall make it our duty to take them as freely as we possibly can. Sir, I move.

The motion was adopted.

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

"That clause 2, as amended, do stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

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

"That clause 3 do stand part of the Bill."

All amendments on the paper except perhaps one standing in the name of Mr. Prakasam drop. Does Mr. Prakasam wish to move his amendment?

**Mr. T. Prakasam:** I am not moving it, Sir.

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

"That clause 3 do stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

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

"That clause 5 do stand part of the Bill."

**Mr. R. K. Shanmukham Chetty:** There are a number of amendments to clause 5.

**Mr. President:** Does the Honourable Member wish to move his amendment?

**Mr. R. K. Shanmukham Chetty:** Yes, Sir.

**Mr. President:** The House stands adjourned till 3 o'clock.

The Assembly then adjourned for Lunch till Three of the Clock.

The Assembly re-assembled after Lunch at Three of the Clock, Mr. President in the Chair.

**Mr. M. S. Sessa Ayyangar** (Madras and Ramnad *cum* Tinnevely: Non-Muhammadan Rural): Sir, I beg to move my amendment No. 66 in the list which reads as follows:

"That for sub-clause (1) of clause 5 of the Bill the following be substituted:

'5. (1) The Governor General in Council shall sell gold to any person who makes a demand in that behalf at the office of the Controller of the Currency, Calcutta, or of the Deputy Controller of the Currency, Bombay, and pays the purchase price in legal tender currency at the rate of twenty-three rupees fourteen annas and four pies per tola of fine gold:

Provided that the Governor General in Council shall have the option to offer, instead of gold, sterling for immediate delivery in London at an equivalent rate:

Provided further that no person shall be entitled to demand an amount of gold or sterling of less value than that of forty tolas of fine gold."

I submit, Sir, in moving this amendment, that the corresponding obligation attaching to Government providing for the purchase of gold under clause 4 was moved by me on Saturday, the 12th, and the House was pleased to accept 40 tolas to be the minimum amount of gold, which could be purchased by the Government. Now there is a corresponding clause so far as the sale of gold by the Government is concerned, and that is provided for in the second proviso to the amendment which I have just read out to the House. I dare say that in virtue of what took place on Saturday last, the Honourable the Finance Member will be pleased to accept this amendment in respect of forty tolas of fine gold.

[Mr. M. S. Sessa Ayyangar.]

I see the Honourable the Finance Member signifies his dissent. I do not know, Sir, what it is that really disables the Finance Member from accepting that position. There are two corresponding stages, one provides an obligation attaching to the Government for the purpose of selling gold, and another provides an obligation on Government for the purpose of purchasing gold. The arguments that I submitted the other day and which enabled the House to vote for it and to fix the minimum at 40 tolas regard being had to the poverty of the country could certainly be with equal force applied to Government's sale of gold. So that, I do not see any reason why the Finance Member does not accede to my suggestion; at any rate, I am confident that the House at least will not reject my amendment in the light of what has taken place already but that it will view with favour this proviso to clause 5. Then, Sir, so far as clause 1 is concerned, the House will probably remember that throughout the body of the Currency Commission's Report there is not a word said about gold exchange at all. Whenever they provide for the inflow and outflow of gold by virtue of their recommendations, they invariably speak in terms of gold and gold only, whereas the Finance Member has chosen to drop the word "gold" altogether in his clause 5 and has substituted "gold exchange" instead. Now, in the Statement of Objects and Reasons to the Bill in paragraph 3 this is what is stated:

"The Commission recommend in paragraph 166 of their Report that, until the Reserve Bank of India takes over the control of the Note Issue, the Government of India must be under a statutory obligation to sell gold or gold exchange at its option at the gold points of the accepted gold parity of the rupee."

So that it is perfectly patent that what the Commission recommended was to make a statutory obligation on the Government of India to buy gold and sell gold or gold exchange. Then it is said:

"During the transitory period, the Government of India would be engaged in building up the gold holding in the Reserve and would not therefore exercise its option to give gold."

That is given as a reason why the word "gold" was dropped in the present Bill and "gold exchange" was retained. In fact, at every turn we are told that there are very great advantages to accrue from this Reserve Bank, and we are also told that all these amendments would go to jeopardise the far off Reserve Bank Bill and all that. Unfortunately also, Sir, in this amendment the Finance Member thought it necessary to drop the word "gold" and substitute "gold exchange" only. Clauses 4 and 5 give effect to this recommendation as modified. As I submitted to the House just now, nowhere in the body of the Report do the Currency Commissioners say a word about gold exchange. Either in paragraph 57 or in paragraph 150, where they deal with this matter, there is not a word about gold exchange, but they make provision for the transitory period and mention gold exchange; but even there they mention the words "gold or gold exchange", whereas the Finance Member thought it prudent to omit the word "gold" altogether. My amendment simply suggests that "gold exchange" ought to be dropped and the word "gold" only ought to be retained, so that it makes it obligatory on Government to consider the advisability of parting with gold alone and not indulge in giving gold exchange. The other day the Finance Member was pleased to observe that the Government were very anxious to arrange for the

continuous inflow and outflow of gold. If that is so, why is it that this restriction is imposed upon the sale of gold to any one who might be inclined to purchase gold? Why the word "gold" alone should be omitted and the words "gold exchange" introduced passes my comprehension. I would also bring to the notice of the House that the Bank of England does not keep any portion of its reserves in the banks of any other country than in its own banks. It is possible that it might be able to earn interest if it kept its reserves in other countries; but even in spite of that they do not keep any of their monies in other countries. So why is it then that India should be placed at this disadvantage in this respect? Should India pay the penalty of providing for Foreign reserves by keeping her reserves in other countries than in England? No doubt, we are bound up with England, and if it is said that we must keep our securities in Britain, that is perfectly understandable. My amendment makes provision for either gold or gold securities being sold; and I certainly take objection to holding any part of our reserves or to being allotted securities other than the securities of Britain, I mean the securities of Belgium or any other country. One reason suggested was that they wanted to accommodate the finances of other countries. The balance of trade is always in favour of India. Perhaps once in ten or twelve years it happens that there is not this balance of trade kept up and the value of imports exceeds the value of exports. Now, to provide for that rare happening, it is not possible or expedient to expect India to place her reserves in other countries. If the balance of trade normally happens to be always in favour of India, it is eminently necessary that other countries should be allowed to keep their reserves in India instead of providing for our reserves being kept in other countries. That also, I submit, is a great drawback in this Bill, as it is. There is also this phenomenon of asking the Indian Legislature to legislate for her disability which possibly accrues from the Indian standpoint. There must be a free flow of gold. Why do you not provide for the free inflow of gold into India? And to ask the Indian Legislature to legislate for this measure of disabling India from getting her legitimate gold for the commodities which she sends out, and also, whenever we want to purchase gold, to ask us at the option of the Currency authorities to accept not gold, but gold exchange, and not even gold exchange in the shape of British securities, but the securities of any other country, is, I think, a great disability which will be imposed upon us. In this connection, Sir, I cannot but read the opinion of the Bombay Shroff's Association. It is printed at page 50 of the opinions on the Currency Bill. They say this:

"So far as gold for export purposes is concerned, the option left to the Currency Authority to give gold or gold exchange in foreign countries which are on a gold standard is highly retrograde and is fraught with the most mischievous consequences to the gold reserves of India. It is amazing that a Royal Commission, charged with the duty of recommending the best standard for this country, should have proposed the extension of the wrong practice of diverting Indian gold out of India. To-day most of the Indian gold reserves are in England. Under the new system now proposed other countries besides England, like France, America, Russia, Japan and others may have located in their central banks gold reserve belonging to India in anticipation of a remote necessity that might arise once in ten years for India to make payments to these countries when the balance of trade is adverse to India. India is a producing country, and instead of paying out gold she has to receive gold from other countries. If anything the proper course would be to have gold reserves from other countries kept in India to enable India to receive payments in gold to which she is entitled. The

[Mr. M. S. Sessa Ayyangar.]

recommendation now made not only diverts India's gold on a large scale than before, but it further exposes our gold in foreign countries to the risk of being rendered useless in times of stress or war if those countries decide to place an embargo on gold as they did during the last Great War. It is unfortunate that with their eyes open the Royal Commission should have proposed an arrangement fraught with such serious consequences with little necessity and with less justification."

And it is unfortunate still that the same recommendation has been taken up by the Honourable the Finance Member. I invite the attention of the House, therefore, to the serious inconveniences attaching to this clause 5 of the Bill and I invite them to vote for this amendment of mine.

**The Honourable Sir Basil Blackett:** Sir, the last quotation from the Bombay Shroff's Association shows that with the best will in the world, neither the Honourable Member nor the Bombay Shroff's Association have been able fully to understand what is the meaning of the Currency Commission's recommendation or of that part of it which is included in this Bill. I have repeatedly stated that this Bill is intended solely as an interim measure until such time as the Gold Standard and Reserve Bank Bill comes into operation. The Bill proposes to establish during that interim period a gold exchange standard for India to lead on to a gold bullion standard, and it has been my anxiety, and it was the anxiety of the Government, in framing this Bill to do nothing in this Bill to prejudice the discussion of the Gold Standard and Reserve Bank Bill. The Honourable Member who has just moved this amendment has really been raising points all of which will arise for a thorough study and explanation on the other Bill. I do not know whether it has any effect, but I should like once again to repeat the assurance that when we come to that Bill I shall do my utmost to see that all these points are thoroughly investigated. All that we propose to do here is that during the interim period we should take an absolute obligation to give foreign exchange in return for Indian legal tender at the rate corresponding to the fixed parity. We have for that purpose incorporated almost exactly the recommendation of the Currency Commission. We have, however, as the Honourable Member pointed out, omitted the option to the Currency Authority to give gold instead of gold exchange if it so desires, for the simple reason that during the interim period the chief concern of the Currency Authority is bound to be to accumulate gold in the reserves. I was quoted just now as saying that I desire to see the inflow and outflow of gold encouraged during the interim period. What I desire to see is the inflow of gold into the reserve. I do not know whether Honourable Members have observed that we have been converting recently a proportion of the gold standard reserve into gold as a first step in that process, and we are anxious to be able to take gold in India and receive it into the currency reserve in order that the time may arrive as soon as possible when we have ample reserves of gold, so that we may undertake the obligation not as an option but as an obligation to give gold bullion in exchange for Indian legal tender. Provision is made in the Gold Standard and Reserve Bank Bill for that obligation to come into force on the 1st January 1931, and obviously in the meanwhile it will not be desirable that we should be letting our gold flow out of our reserves if it is the amount of the gold in those reserves which will determine the earliest date at which we can undertake the full obligation. Therefore to give the Currency Authority an option during this interim period which it has no intention of exercising seemed to us to be rather

unnecessary; in addition it leads to complications because there is a difference between the price at which it is proposed to impose the obligation on the Currency Authority to give gold after the 1st January, 1981, and the price at which it is proposed it should give gold exchange in this Bill. Therefore, our preference was and is for omitting the words "gold or", simply because it leads to additional complications and it adds nothing in view of the fact that there is no obligation imposed on the Currency Authority but only an option which it does not intend to exercise.

The second point which my Honourable friend has raised is that because we agreed to a limit of only 40 tolas for the amount of gold which might be offered to the Currency Authority when it was a purchaser, we ought therefore now to put the same lower limit on the amount of gold which the Currency Authority is to be obligated to give out when it is a seller. As I stated at the time, it was merely a matter of convenience whether you put 40 or 300 or 1,065 as the figure for the number of tolas which was the minimum that the Government as the Currency Authority would buy. That is not so in the case of a minimum for sale. The minimum proposed is 1,065 tolas. I submit to this House that that minimum, which is the same as the English minimum, is in itself a desirable minimum, but that in any case it is most undesirable that at this stage we should reduce that minimum and thereby prejudice our own position when we deal with the gold bullion standard question on the next Bill. There is not the slightest gain in altering that figure 1,065 to 40 or any other figure; and if we leave it as 1,065 and not 300 or 40, it will be open to us to consider in the Committee on the other Bill in careful detail whether 1,065 or some smaller figure is a desirable one. But to put a lower figure in here definitely prejudices the discussion of the next Bill. So far as that point is concerned, I hope my Honourable friend will not press his amendment.

His third point is that he objects to our having authority to buy securities other than sterling securities for the currency reserves. Now there again I think he has, no doubt unintentionally, somewhat misunderstood and misrepresented the objects of allowing these securities to be purchased. He speaks of it as being some kind of benefit to the country whose securities are purchased. That is not the purpose at all and it has no such effect. The object of allowing the purchase of securities other than sterling securities was to enable the Currency Authority to be in a position, if in any circumstances sterling fell below gold parity, i.e., if sterling fell away from gold, to place the reserves in investments in real gold securities in countries where the gold standard had not been departed from. It is purely for the sake of maintaining the completeness of the gold standard that the option to buy gold securities other than British securities was recommended by the Currency Commission and inserted in this Bill. The Honourable Member says that the Bank of England does not keep its reserves anywhere except in British securities. That is so, but I do not know whether he is aware that practically every other country in the world, with the exception of the United States, does keep a considerable proportion of its currency reserve in the securities of other gold standard countries. Japan does it; Germany does it; Austria and Belgium do it. It is a regular procedure and it is a procedure that is very much to the advantage of the authority which is allowed to invest its reserves in securities of other countries. It is a definite additional cost that is incurred by Great Britain and America, which are, as it were, the central gold reserve countries of



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the world, which is not necessary or desirable or convenient for other countries who are not in that position. As regards the other point that arrangements ought to be made for the currency reserves of other countries being invested in Indian securities, I very much hope that that will happen in course of time, when we have got our Reserve Bank and gold standard fully established. I have no doubt there will be cases in which that will happen, but there is no necessity for us to legislate for it. Indeed it is a thing we could not do. But it will be quite open to other countries and I see no reason why in course of time something of that sort should not happen.

I now come to the question of the extent to which the Government are prepared to go to meet the Honourable Member. As I say, this clause is exactly in accordance with the recommendations of the Currency Commission; but especially as it is an interim Bill, Government have no objection to limiting the power of investment for the time being to sterling securities if that is the desire of the House as expressed by the Honourable Member. It will not make any very great difference in practice during the temporary period nor will it in any way prejudice our discussion of the same point when we come to the Gold Standard and Reserve Bank Bill. Government are not prepared to reduce the figure of 1,065 tolas to some smaller figure in this Bill, but there again, as I have pointed out, that does not prejudice discussion of the same point on the next Bill. I hope the House will not press me also to include the option of gold or sterling. I have explained that the option is one which the Currency Authority will not in fact exercise. But I am, like the Home Member, in an amiable mood. If it will serve to shorten the debate, I have a clause here drafted which meets all the points including the option of gold or sterling. Perhaps I may be allowed to read it.

"5. (1) The Governor General in Council shall sell to any person who makes a demand in that behalf at the office of the Controller of the Currency, Calcutta, or of the Deputy Controller of the Currency, Bombay, and pays the purchase price in legal tender currency, gold for delivery at the Bombay Mint at the rate of Rs. 21-3-10 per tola of fine gold or at the option of the Controller or the Deputy Controller as the case may be, sterling for immediate delivery in London at an equivalent rate:

Provided that no person shall be entitled to demand an amount of gold or sterling of less value than that of 1,065 tolas of fine gold."

There are consequential alterations in sub-clauses (2) and (3). I think sub clause (4) of this clause goes altogether. I should like to know whether that really is an amendment which will meet the views of the Mover of this amendment and those who support it. It meets his point about investment being in sterling only. It gives him the option of gold or sterling at the option of the Currency Authority. It does not give him any reduction below 1,065 tolas. I think it meets two of his points therefore, but does not meet that third small point. The position therefore is that if the Honourable Member is prepared to withdraw his amendment, I shall be prepared to move this together with consequential amendments provided by the draftsman in the rest of clause 5. I may say before I sit down that if this is accepted I think all the amendments on this clause are dealt with, except one of Mr. Shanmukham Chetty in which he wants to impose an obligation on the Currency Authority to sell gold in all circumstances as from 1931. I hope he will not be inclined to press that. There again it is exactly what we propose to do when the Reserve

Bank comes into existence. I will, however, not continue that point now. But I would like to say that if the Honourable Member is prepared to withdraw his amendment, I shall, with your leave, Sir, be prepared to move this as a substitute.

**Mr. M. S. Sesha Ayyangar:** It is quite refreshing to see that the Finance Member is in an amiable mood to accept two out of three of my suggestions, and I am not satisfied with his reasons for not reducing 1,065 tolas to 40 tolas. However, acting on his assurance, I beg leave to withdraw this amendment.

The amendment was, by leave of the Assembly, withdrawn.

**The Honourable Sir Basil Blackett:** Sir, I beg to move:

"That for clause 5 of the Bill the following be substituted:

'5. (1) The Governor General in Council shall sell, to any person who makes a demand in that behalf at the office of the Controller of the Currency, Calcutta, or of the Deputy Controller of the Currency, Bombay, and pays the purchase price in legal tender currency, gold for delivery at the Bombay Mint at the rate of Rs. 21-3-10 per tola of fine gold or at the option of the Controller or the Deputy Controller as the case may be, sterling for immediate delivery in London at an equivalent rate:

Provided that no person shall be entitled to demand an amount of gold or sterling of less value than that of 1,065 tolas of fine gold.

(2) For the purpose of determining the equivalent rate applicable to the sale of sterling under this section, twenty-one rupees three annas and ten pies shall be deemed to be equivalent to such sum in sterling as is required to purchase one tola of fine gold in London at the rate at which the Bank of England is bound by law to give sterling in exchange for gold, after deduction therefrom of an amount representing the normal cost per tola of transferring gold bullion in bulk from Bombay to London, including interest on its value during transit.

(3) The Governor General in Council shall from time to time determine the equivalent rate in accordance with the provisions of sub-section (2) and shall notify the rate so determined in the Gazette of India.'

**Mr. N. C. Kelkar** (Bombay Central Division: Non-Muhammadan Rural): I have got two amendments on this clause.

**Mr. President:** The amendment is before the House. If the Honourable Member does not approve of it, he must oppose it. If it is carried, his own amendment will fall.

The question I have to put is that this amendment be made. As many as are of that opinion will say "Aye." (*Honourable Members:* "Aye.")

**Mr. N. C. Kelkar:** I want to speak, Sir.

**Mr. President:** The Honourable Member must protect his own interests and rise in time.

**Mr. N. C. Kelkar:** It is not a question of moving my amendment. I will content myself at this stage . . . . .

**Mr. President:** The Honourable Member will be at liberty to move his amendment if he could persuade the House to throw out this amendment.

**Mr. N. C. Kelkar:** If this is accepted . . . . .

**Mr. President:** Then his amendment goes.

**Mr. N. C. Kelkar:** Therefore I must oppose this now and speak on it. Sir, the Mover of that other amendment has agreed to withdraw his amendment in consideration of the new form of the clause offered by the Finance Member. But in my opinion the real point at issue has not been solved. I think the real point at issue here is the option, and the question is, who

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is to exercise that option? It has all along been assumed that it is the Government that is to exercise that option, whereas, as I understand it, in the interests of the internal stabilization of the rupee the option must be given to the purchaser to exercise. It is for him to say, he wants this, that or the other, and for the Government to grant it, if real stabilization of the rupee is to be secured, which is the object of this Bill. The whole trouble seems to arise out of the fact that, on this Bill, we are taking Government more seriously than they are prepared to take themselves, and that is evidently why the Finance Member says it is a matter of option, but we are not prepared to exercise that option, as if there is nothing in the option. Then he says, it does not matter whether he sells gold, 40 tolas or 300 or any other number of tolas. It is not to be a practical proposition and it does not matter for a few months how much we sell. The Bill has been presented with so many objectionable provisions that we must grapple with each of the provisions, and leave no room for any prejudice against what is coming in the other Bill. If every problem will be solved at the time of the other Bill, I do not really see why the present Bill should have been brought only a few months before that. All the three Bills should have been taken together and should have been sent to a Select Committee and the whole matter thrashed out. I do not really see how only our amendments and arguments prejudice the final conclusions to be reached and not the provisions put forward by the Government. Opposing the amendment put forward by the Finance Member, I will say this. I will put before the House a kind of formal argument about this. My proposition is that the object of this Bill is immediately to stabilize the rupee in relation to gold. That proposition cannot be gainsaid. The Statement of Objects and Reasons says that the immediate object is the stabilization of the rupee in relation to gold. Now stabilization has two aspects, its internal aspect and its external aspect. The external stabilization has been secured by fixing a statutory ratio of exchange at 1s. 6d. A necessary corollary of this, however, is that the Government should be prepared to work the statutory ratio and this has been done by a statutory obligation imposed on Government to sell gold exchange at 1s. 6d. or 8 point odd grains of gold for one rupee. But the real question now arises. What about the internal stabilization of the rupee in relation to gold? Internal stabilization can only be realised by Government being prepared both to buy and sell gold bullion at the statutory gold value of the rupee. The statutory value of the rupee in relation to gold involves a double idea of stabilization, (1) of the rupee in relation to gold, and (2) of gold in relation to the rupee. It is a perfect equation, namely, one rupee is equal to 8 point so many grains of gold, and the two sides of an equation must be interchangeable or convertible. We can say the rupee is linked to gold only when this equation is realised, not till then. There is no such realisation of the equation so long as the Government recognises only an obligation to buy gold at the rate fixed. By buying gold as a matter of legal obligation Government can be said only to have stabilized gold in relation to the rupee and not the rupee in relation to gold. To refuse to sell gold for rupees at the same fixed rate would be to deny that the value of the rupee for internal purposes is 8 point so many grains of gold. The real problem before the Government was not to stabilize gold, the real point was to stabilize the silver rupee. In the Statement of Objects and Reasons Government said that they wanted immediately to stabilize the rupee. Their action in

refusing to sell gold is therefore a direct contradiction of their purpose as stated in the Statement of Objects and Reasons. If Government do not want to sell gold, they should have stated their object clearly. They should have said "immediate stabilization of the rupee in relation to its exchange value", whereas they have stated in clear terms their object is to immediately stabilize the rupee itself. For the purpose of exchange this can be accomplished even without a reference to gold bullion. They should have stated "immediate stabilization of the rupee in relation to its exchange value" and not stabilization in relation to gold, for as I conceive it, the purpose of exchange can be accomplished even without reference to gold bullion, for example, by bills of exchange or securities or book adjustments. Gold bullion need not come in here at all; the purpose of exchange can be served otherwise. Therefore, why should it not be stated that the object of Government is to stabilize the rupee in relation to exchange? But if stabilization in relation to gold is stated that must also be made good. This Bill makes the standard not even a real gold bullion standard as it is supposed to be, but simply a gold exchange standard. . . .

**The Honourable Sir Basil Blckett:** May I point out to the Honourable Member that what I said was that the object of this Bill is to establish a gold exchange standard for an interim period pending the time the gold bullion standard is brought into effect.

**Mr. N. O. Kelkar:** We have heard the Bill described for even the present interim stage as a gold bullion standard.

**The Honourable Sir Basil Blckett:** Never.

**Mr. N. O. Kelkar:** May I take it that that has never been put forward?

**The Honourable Sir Basil Blckett:** Certainly not by me. I carefully stated the contrary.

**Mr. N. O. Kelkar:** What does the Statement of Objects and Reasons say? "To stabilize the rupee in relation to gold", not in relation to exchange. . . .

**The Honourable Sir Basil Blckett:** Certainly.

**Mr. N. O. Kelkar:** This in my opinion is even worse than the gold exchange standard; for there under the gold exchange system what do we find? We had exchange as well as the sovereign as a definite legal tender coin, and that means that whereas in the other arrangement we had the cat and the grin together, here we have only the grin and no cat! The reason given in the Report for the proposed elimination of a gold coin as legal tender is that the obligation was proposed to be imposed on Government, even in the interim period, to sell gold for all purposes. The sovereign being now demonetized, Government must sell gold bars for all purposes absolutely. The one is vitally linked to the other. The Report says its recommendations are interdependent and that point had already been stated by my friend Mr. Ayyangar. I use the same for my purpose also. This means the obligation to sell gold bars for internal as well as external purposes necessarily follows from the elimination of the sovereign. The elimination of the sovereign and the selling of gold bars absolutely even for internal purposes—the two things I do contend are linked with one another; and, therefore, if you have to eliminate the sovereign as a legal tender coin, you must make good your word about the giving of gold for internal purposes. In now agreeing to sell gold as well as gold exchange Government would only be correcting the mistake they committed in restricting the scope of the sale of gold in the second Bill. The second Bill is worse than the

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first Bill, but I contend that the first Bill also was wrong in that it left the option to Government. The option should have been given to the people. In now expressing willingness to sell at least gold at his option the Finance Member is not making a concession to our perversity or obstinacy, but removing an absurdity from his conduct. You cannot stabilize and maintain the rupee at a certain gold value unless, I contend, you are prepared to deal with the rupee and gold both ways, inward and out.

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

“ That for clause 5 of the Bill the following be substituted :

‘ 5. (1) The Governor General in Council shall sell, to any person who makes a demand in that behalf at the office of the Controller of the Currency, Calcutta, or of the Deputy Controller of the Currency, Bombay, and pays the purchase price in legal tender currency, gold for delivery at the Bombay Mint at the rate of Rs. 21-3-10 per tola of fine gold or at the option of the Controller or the Deputy Controller as the case may be, sterling for immediate delivery in London at an equivalent rate :

Provided that no person shall be entitled to demand an amount of gold or sterling of less value than that of 1,065 tolas of fine gold.

(2) For the purpose of determining the equivalent rate applicable to the sale of sterling under this section, twenty-one rupees, three annas and ten pies shall be deemed to be equivalent to such sum in sterling as is required to purchase one tola of fine gold in London at the rate at which the Bank of England is bound by law to give sterling in exchange for gold, after deduction therefrom of an amount representing the normal cost per tola of transferring gold bullion in bulk from Bombay to London, including interest on its value during transit.

(3) The Governor General in Council shall, from time to time, determine the equivalent rate in accordance with the provisions of sub-section (2) and shall notify the rate so determined in the Gazette of India ’.”

The motion was adopted.

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

“ That clause 5, as amended, do stand part of the Bill.”

**Mr. R. K. Shanmukham Chetty** (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, I move :

“ That after the proviso to sub-clause (1) of clause 5 the following further proviso be inserted :

‘ Provided further that from the 1st day of January, 1931, or such earlier date as the Governor General in Council may notify in the Gazette of India in this behalf, the authority for the time being entrusted with the right of note issue shall be bound to sell to any person who makes a demand in that behalf or pays in legal tender currency the purchase price as determined by this sub-section, gold bullion for delivery at the option of the purchaser, either in Bombay or in London ’.”

Sir, in this amendment I seek to embody one of the recommendations of the Royal Commission itself. I am not trying to introduce any new principle or any innovation, and I hope that the Honourable the Finance Member's amiability will continue and enable him to accept this amendment also. According to clause 5 the option is given to the Currency Authority to sell either gold or sterling exchange, but I want to have it enacted that from the 1st January 1931 or such earlier date as may be determined in this behalf by the Governor General in Council the option to ask for gold or sterling should be left to the purchaser. My Honourable friend the Finance Member will say that this is a matter which ought to be considered when the Reserve Bank Bill is taken into consideration. In fact I have taken my amendment from one of the clauses to the Reserve Bank Bill

itself; but my difficulty is this. It may be that when the Reserve Bank Bill comes from the Select Committee it may emerge in a form which is not acceptable to the Finance Member or in a form which is not acceptable to this side of the House. In either case there is the danger of the Reserve Bank Bill not being carried through in this House, and if that contingency were to happen our currency system will be left practically where it has been all these years. Especially after the dictum of the Honourable the Finance Member that the rupee has no more value than its silver contents, one cannot rest content with leaving our currency system where it is at the moment. I want to make sure that at least from the 1st January, 1931, our currency will be really and effectively linked to gold and not be merely linked to sterling. The Currency Commission itself in paragraph 165 have given a time table and they have prescribed the various dates within which their recommendations must take effect. This obligation on the Currency Authority to sell gold is an obligation which they would like to see imposed not later than the 1st January 1931. Sir, it would not be a very difficult matter for the Currency Authority in India to take steps before the 1st January 1931, to strengthen their gold reserves to enable them to fulfil this obligation. On the 30th April, 1926, the gold reserves of the Government of India were about 81 crores of rupees in sterling securities and about 30 crores gold coin and bullion in the Paper Currency Reserve in India. If the Currency Authority will take the necessary steps to convert its sterling securities into gold as and when they mature, it would, I submit, give them sufficient time to have enough of gold reserves to enable them to meet this obligation. In fact the Currency Commission themselves contemplate that such a step should be taken by the Currency Authority in India. They remark in paragraph 166 that the Currency Authority should take whatever steps are required to convert in the safest and most gradual manner a portion of the sterling balances into gold bullion. If the Government of India would take steps to convert their sterling securities into gold bullion, I submit they would not find any difficulty at all to fulfil this obligation from the 1st January, 1931. I hope that the Honourable Member will accept this amendment.

**The Honourable Sir Basil Blackett:** Sir, all along the House has been in a real difficulty owing to the fact that we have been dealing with two separate Bills. The proposal which the Honourable Member Mr. Shanmukham Chetty now makes is as he says a proposal recommended by the Currency Commission and accepted by the Government of India but it is included in another Bill. He wants to transfer it into this Bill and he quotes in support of his motion the dictum—which the Government of India fully accept—of the Currency Commission that all their recommendations hang together and must be taken together. Now that is just exactly my objection to accepting this clause here. I recognise the truth of what Mr. Shanmukham Chetty says that there must be a measure of agreement between the various parties in this House if we are to get the Gold Standard and Reserve Bank Bill on to the Statute-book; and I should like to assure him and the House here and now that I shall use my utmost endeavours and go as far as I possibly can to meet legitimate demands in regard to that Bill and to satisfy as many people as possible. I am most anxious that this little Bill should not be the "*ridiculus mus*" which comes out of the Currency Commission's Report. I hope for something very much more but we shall need the full amount of good-will and give and take if we are to arrive at a satisfactory conclusion. But Mr. Chetty says,

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“Why not undertake an obligation now to bring the gold bullion standard into force on the 1st January, 1931?” My answer is—and I say this with all seriousness to the House—that I do not think that I could be a party to recommending to the Government of India or to the people of India that they should undertake all the obligations of the gold bullion standard so long as the Government remains the Currency Authority. I say that because it is exactly what I think. Perhaps I should say it is not because the Government is necessarily incompetent for the purpose of controlling the currency. But I believe that it is quite impossible for a Government as Currency Authority to take all the right steps at the right time without exposing itself to constant attacks which may or may not be justified but which certainly prejudice the interests of the currency system of the country. I do not want to raise trouble by giving illustrations, but I have been accused several times in this House during these discussions of frittering away the gold resources of India to the tune of Rs. 25 crores in the last year. The impression is left on many people—honestly left I am sure—and I believe some of those who use the accusation honestly think—that the Government has chucked away Rs. 25 crores of the resources of the Government of India without any result into the sea. Now, what has really happened is that during the two years that preceded last year those 25 crores were gradually built up by the issue of currency against purchases of sterling made for the purpose of preventing exchange from rising above 1s. 6d.—keeping exchange down. The resources that the Government used to prevent exchange from falling below 1s. 6d. were practically all of them created during the process of preventing exchange from rising above 1s. 6d. (*An Honourable Member*: “Is that any justification?”) That is the real fact as regards those resources. There is no question of their being chucked away; they have been used exactly in the way in which the Currency Commission unanimously recommended that the reserves of the Government of India should be used. But that charge is made here and, as I say, it is believed honestly by some of those who make it; and I say that that shows there are very strong objections to the Government being the Currency Authority in control of currency. Whatever the Honourable Members may think about the illustration, I believe that they are perfectly in agreement with me on the point illustrated, that the Government should not be the Currency Authority.

Now, I maintain that it would be a real risk, which ought not to be faced, for the Government as Currency Authority to undertake the full obligations of the gold bullion standard. If therefore this date were inserted in this Bill, the Government would after the 1st January, 1931, in the event of the Reserve Bank not coming into being—which God forbid—in the event of some break-down over that, the Government would be saddled with very serious responsibilities in maintaining the gold bullion standard without the proper machinery for exercising them, without that unification of control of currency and credit which is the essence of the Currency Commission's recommendations for a gold bullion standard and a reserve bank; so that with all the good-will in the world and in spite of the continuance of amiability in the Finance Member, I regret that I am not able to accede to Mr. Chetty's request. I would suggest to him that instead of pressing it he should set to work in relation to the Reserve Bank Bill and make certain that India receives the fruit of the labours that have been put in by the Currency Commission and by this House in

studying its recommendations and hasten to get the Gold Standard and Reserve Bank Bill on to the Statute-book in a form in which we can all, on all sides of the House, congratulate ourselves on achieving.

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

"That after the proviso to sub-clause (1) of clause 5 the following further proviso be inserted:

'Provided further that from the 1st day of January, 1931, or such earlier date as the Governor General in Council may notify in the Gazette of India in this behalf, the authority for the time being entrusted with the right of note issue shall be bound to sell to any person who makes a demand in that behalf or pays in legal tender currency the purchase price as determined by this sub-section, gold bullion for delivery at the option of the purchaser, either in Bombay or in London.'

The motion was negatived.

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

"That clause 5, as amended, do stand part of the Bill."

The motion was adopted.

Clause 5, as amended, was added to the Bill.

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

"That clause 1 do stand part of the Bill."

The motion was adopted.

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

"That these be the Title and Preamble of the Bill."

**The Honourable Sir Basil Blackett:** Sir, there are two consequential amendments resulting from the changes we have made in clause 5. In the Title of the Bill for the last words "sale of gold exchange" the words "sale of gold or sterling" have to be substituted; and a similar substitution has to be made in the Preamble. Sir, I move that the words "gold or sterling" be substituted for the words "gold exchange" in the Title and the Preamble.

The motion was adopted.

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

"That these be the Title and Preamble of the Bill."

The motion was adopted.

The Title and Preamble, as amended, were added to the Bill.

**The Honourable Sir Basil Blackett:** Sir, I rise to move that this Bill be passed.

I do not propose to take advantage of this opportunity for making any long speech. I believe that I shall have the opportunity if necessary of replying on the debate on the third reading, if such debate takes place; and I do not want to start subjects for discussion on the third reading unnecessarily. I should like to say only one thing. The object of this Bill is, first of all, to fix the ratio; secondly to secure that that ratio is fixed by Statute so that an obligation is imposed on the Currency Authority to prevent exchange from rising above or falling below the gold points; and the third—quite incidental really—was the demonetisation of the sovereign simply because it was necessary to do that in anticipation of the gold bullion standard. The object of the Government in introducing this Bill



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was really simply to get the vexed question of the ratio out of the way in advance in order that we might have an opportunity of working together on a subject where there was no such unfortunate difference of opinion as there was over the ratio, when we come to the gold bullion standard and the reserve bank questions. We want all the good-will we can over studying those questions. Nothing in this Bill is intended to prejudice the full and free and frank discussion of those subjects when we come to that Bill; and the only point that really is definitely settled by this Bill is the one point on which, as I say, we have had a somewhat acrimonious controversy. And before I sit down, I should like to say one thing more.

4 P.M. I have spoken of my amiability to-day. I am conscious that I was not amiable on one or two occasions during this discussion, and I should like to apologise if I have been heated in any part of this discussion. I do not want to say that I was justified by some of the things that have been said about me. Almost every crime has been attributed to me, not even excluding murder. But some of the things that have been said about me have at any rate, if they have not justified, explained the reasons for occasional temper on my part. None the less I desire to say that I am very sorry if I have in any way offended any one in doing so.

**Mr. President:** Motion moved:

"That the Bill as amended be passed."

**Sir Victor Sassoon** (Bombay Millowners Association: Indian Commerce): Sir, I take it that, if this Bill be passed, the gold value of the rupee will be definitely decided for all time, and that there is no intention of considering this as a temporary measure which will be revised if later on it were discovered that there had been an error of judgment. I say this, because that is the state of mind of at least one member of the House who voted for the higher ratio, and therefore I should like to make it quite clear to the House, unless it is definitely stated to the contrary, that whatever the future trend of world's prices may be, this Bill is intended finally to decide the gold value of the rupee. Such being the case, what will be the practical consequences of the action of this House should it decide to pass this Bill? If world's gold prices rise, I should say there will be little or no effect. If gold prices remain as they are to-day, an adjustment downwards of wages, salaries and prices of the commodities which have not yet adjusted themselves will take place until the cost of living is roughly 10 per cent. less than it was two years ago. Thirdly, if world's gold prices go down, in addition to the adjustment to which I have just referred, a further adjustment will have to take place which will be the adjustment what will have to be suffered by the rest of the world. Now, Sir, we have it on the authority of the Finance Member that the intention of the Federal Reserve Bank is to keep prices stable at about 50 per cent. above the pre-war level. I accept the statement, but I would like to examine the value that should be attached to it. Does the Federal Reserve Bank propose to bind itself to keep world's prices up to their present level? I do not think so. The Federal Reserve Bank has a surplus of gold which is, roughly speaking, the equivalent of two years normal increase of the world's demand for gold, and this, of course, is a factor which, coupled with the possibility of economies in the rest of the world in the use of gold, does give the Federal Reserve Bank a great deal of power to keep prices stable on certain assumptions. And that is the trouble. So many of these dicta are so often only hypotheses. The

assumption made is that there should be no great alteration in the world's normal needs for gold. But this assumption does not take into consideration the possibility of China asking for gold. Normally China's exports of produce exceed her imports of commodities, and the difference is made up by shipments of silver. Now, I am not one of those who think that China is likely—certainly not in the near future—to change her system of currency from a silver to gold basis, but I think that there is a distinct possibility of China saying, "for this difference between our exports and our imports, we would like to take a part in gold and not all in silver. The world is indebted to us for this difference, and we are entitled to take it in whatever form we like, and we propose to take some of it in gold". And, Sir, if this should take place to any great extent, it would upset all the plans of the Federal Reserve Bank, and I seriously doubt whether we would find the United States prepared to dissipate her gold reserves merely because the Legislature of this country had passed this Bill on the assumption that America would maintain gold prices stable. Sir, two years ago the Finance Member objected to trying India to the chariot wheels of the Federal Reserve Bank . . . . .

**The Honourable Sir Basil Blackett:** Three years ago.

**Sir Victor Sassoon:** Three years ago he said that, but to-day he advocates it with equanimity. If he had done it three years ago, then even if the Federal Reserve Bank had not been able to keep prices stable, India would only have had to suffer the same process of adjustment as the rest of the world. To-day this land of famine, cholera and plague will have to suffer, roughly speaking, 10 per cent. more than America which is the land of health, wealth and plenty. Now, Sir, it is for this House to consider whether the irrevocable step should be taken to-day of fixing the value of the rupee. The Finance Member has accused this House of shirking its responsibility. I for one have no desire to shirk any responsibility that I may have. If I am asked what the practical effect, apart from the technical meaning, of throwing out this Bill is, I should say this. This House has shown its approval of the 1s. 6d. rate by its vote. It therefore authorises the Government to keep it at that point by executive action until either they can clearly see the trend of world commodity prices or until the cost of living has dropped about 10 per cent. compared with the cost of living in the rest of the world taking the 1924 Index figures as a basis. What I am suggesting, therefore, to the House is that it should very seriously consider whether the Government should be allowed to burn its boats now. By throwing out this Bill, the House will leave the Government with a loophole through which it can retire if the prognostications of the Finance Member are falsified. If our fears prove groundless, what is lost? It appears to me that all that is lost is that the establishment of a Federal Reserve Bank and the legal establishment of the gold standard are postponed. But is that altogether an unmixed evil? Sir, we have just heard the Finance Member pointing out the disadvantages of the Government managing the currency of the country. His very objections to that raised fears in me. It appeared to me that we should not be in a position to criticise any action that might be taken. To-day if we disapprove of the action of the Government in its management of the currency policy of this country, we certainly have an opportunity of expressing our disapproval. Until all the details of the Reserve Bank and how that

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Reserve Bank or how its Governors are to be controlled, are published, we do not know what remedy we shall have if we disapprove of any action of the Governors of that Reserve Bank, and so I am not at all certain whether it would be a bad thing if we had a little time to go into the details of what the powers of the Governors of the Reserve Bank were to be, and how those powers were to be controlled. That is all I have to say. I would merely ask this House to remember that it is at the parting of the ways. If it considers that the advantages of a Reserve Bank, if it considers that the establishment of a gold standard in the near future are so great as to justify the risk of world's prices dropping, then this House, I suggest, will pass the Bill. But if the House fears that the effects of a big drop in gold prices, which would naturally be very serious to the trading, commercial and agricultural interests of this country—if it fears there is a chance of that taking place, then I would suggest that it might perhaps be advisable to reject this Bill and thus give the Government an opportunity of seeing more clearly what the trend of world prices will be. (Applause.)

**Dr. A. Suhrawardy** (Burdwan and Presidency Divisions: Muham-madan Rural): Sir, I must thank you first of all for the kindness and courtesy of giving me an early opportunity of speaking this afternoon. I have been so long a silent listener to the debates in the House. I had no desire to lose my reputation for silence, and if I rise to-day to speak I do so because it is beginning to dawn upon me that I am not in the company of philosophers but of politicians who attach more importance to the brass of speech than to the gold of silence. An Honourable Member I understand is annoyed at my reticence and seems disappointed that I have not caused an earthquake or a shower of brickbats in the House by my eloquence, and that my advent in the Assembly has not been greeted with peals of thunder and flashes of lightning. I wonder if it is the same wonderful gentleman whose penetrating vision and journalistic imagination saw my downcast looks when I was miles away from here. Anyway I must not deny him the pleasure of hearing the sound of my voice and having some fun at my expense. So much by way of apology for inflicting a speech on a tired House. I know I cannot make any contribution of value to the debate but I must now proceed to give my reasons briefly for supporting this Bill through its various stages. My reasons are very simple. I voted against the amendment in favour of the 1s. 4d. ratio and I subsequently thought that I was consistent and logical in supporting the provisions of the 1s. 6d. ratio. As regards the other amendments, I tried to follow and to understand their consequences, but they all appear to me to be merely flanking movements or rearguard actions to retrieve the loss of the Battle of the Ratios. I have listened with attention to the various arguments advanced in this House for and against the provisions of the Bill. I have listened to the arguments of the expert and the layman, to the arguments of the economists and the moralists. I have listened to the arguments of the lawyer and the schoolmaster. I have listened with patience and attention to the fervent appeal to our sense of duty, and I have also listened in silence to arrogant assertions and insolent insinuations as substitutes for arguments. So far as the arguments advanced in the House are concerned I tried to the best of my ability to weigh their effects. Outside the Chamber also I have been subjected to bombardments by leaflets and pamphlets issued by persons holding opposite views on this

highly technical subject, and I would gladly have sought salvation and peace by surrendering my judgment to a Pope or Pontiff posing as an infallible authority on this subject. But unfortunately Mr. Jinnah's inopportune discovery of a passage in "Taylor on Evidence" unsettled my mind. I was even prepared at one stage of the debate to read out a speech in favour of 1s. 6d. written by Mr. Shyam Narain Singh or a speech in favour of 1s. 4d. written by my friend Mr. Jamnadas Mehta. (Laughter.) But my Honourable friend, Mr. Jinnah's discovery, as I said, disturbed my mind. If the opinion of experts could not be generally relied upon, it became somewhat difficult for me to reject the opinion of the majority of experts and to accept the opinion of the minority. If the opinion of the Currency Commission is not accepted, it will be difficult to accept the opinion of the Currency League. And as Mr. Jamnadas Mehta the other day, in the grand manner of a great Autocrat, revealed to us the secret that he himself was the Currency League, he must suffer in reputation. So also must our friend, Sir Purshotamdas Thakurdas, whose revolt against the tyranny of the majority and whose able advocacy and earnest championship of the cause he has espoused I sincerely admire, pay the penalty of enjoying the reputation of an expert. Sir, I was further disturbed and even bewildered by the recollection of a speech delivered not very long ago on the floor of this House. I am not sure if consistency is considered a virtue by politicians. I do not know if politicians count on the proverbial shortness of human memory. But though I cannot claim to have the wonderful memory of the Honourable Members who could recount ancient history and recall the writings of Sir Dinshaw Wacha of the last century, the speech of my Honourable friend Mr. Jinnah of a few weeks ago, when he waxed eloquent on the infallibility and sanctity of the Tariff Board, is still ringing in my ears. I wonder, when my Honourable friend asked us to remember the virtues of the Tariff Board as an expert body—I wonder whether he had then completely forgotten his "Taylor on Evidence", even as he forgot his pose as a juror and declaimed as the advocate of a lost cause, or even as he forgot his trebly titled and doubly decorated Deputy, Sir Purshotamdas Thakurdas, C.I.E., M.B.E., when he harangued the Members of the House and asked such of them to give up titles who had none to give up. (Laughter.) My second difficulty is that I have the misfortune of having been returned to the Assembly without any party label, and though I have joined a party since my return, it wisely refrains from imposing its will, the will of the majority, on the minority and of the minority on the majority and allows freedom of action to its members. Sir, I have not therefore pawned or pledged my soul to any party leader in default of Mephistopheles whose form I have failed to discern in this House (Laughter), but who, for aught we know, may be visible to my Honourable friend Mr. Chetty who seems to be on familiar terms with him. (Laughter.) I am grateful to Mr. Chetty for not denying souls to some of the Members of the House. I wonder if Mephistopheles has confided to him the secrets of a sacred book, more ancient than the *Arthashastra* which promises condign punishment for the tongue of calumny which denies souls to men and women. I am not tied to the chariot wheels of Mephistopheles or Mammon or any party leader whose decision must drag me into the lobby of his choice. Unaided by the light of expert opinion, unassisted by the lead of a party, I have to fall back upon my own common sense and the dictates of my constituency which embraces the whole of Western Bengal. But the Mussalmans of Bengal seem to have escaped the attention of the Currency League. Their pathetic, placid.

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contentment continues. They are voiceless; their voice is silence. I have seen no petitions or telegrams from them to Members of this House. I have received no direction or mandate from them. As for the representatives in the Assembly of non-Muslim Bengal, not one has lifted up his voice in support of the 1s. 4d. ratio, though they are not accustomed to drown their voice in silence. There was only one representative of Bengal who rose to speak and he spoke in favour of 1s. 6d., "undaunted," as he said, "by the frowns of the Government and unseduced by the smiles of the opposition". The other representative of Bengal whose opinion is known to me to be in favour of 1s. 6d. ratio was the other day referred to by my Honourable friend Mr. Moore. He may be in the bondage of the Satanic Government, but I dare say that not even those Honourable gentlemen, who believe in charity only when it begins at home, could suggest that Mr. Satyendra Chandra Mitra has sold his soul to Mephistopheles. The significant silence of Bengal Members speaks for itself. Besides Mr. Joshi's support of the 1s. 6d. ratio is a clear indication to me that there is a conflict between the interests of labour and capital in this case. There is no use saying that labour cannot thrive without capital and therefore we must divest ourselves of all suspicion of capital and of the championship of the 1s. 4d. ratio by vested interests. "Do not kill the goose," says Mr. Jinnah, "that lays the golden eggs." This argument does not appeal to me, because for aught we know the goose may not be laying golden eggs, but eggs of steel, rotten eggs or no eggs at all. (Laughter.) Sir, before I conclude, I should like to assure the House that it is no pleasure to me to disregard the fervent appeals to our sense of duty by respected leaders whose sincerity and honesty are above suspicion. Indeed the persuasive eloquence and transparent sincerity of Pandit Malaviya, Pandit Motilal Nehru and Mr. Srinivasa Iyengar have made a deep impression on me. But the reasons I have briefly mentioned drive me to the opposite conclusion. Sir, before I sit down I should like to make a passing reference to the patriotic peroration of Mr. Jinnah, addressed to this House the other day through the Chair, lamenting the intrigues in the lobby and deploring the manipulations going on there. I wonder if he was referring to the ponderous arguments of a light weight champion of 1s. 4d. ratio which disturbed the mental exchange of an Honourable Member sitting right in front of me and stabilised it at neutrality. I wonder if he remembered when he appealed to the House not to sell India and degrade the representative character of the House that he lost a golden opportunity of setting a good example of saving India when he walked into the lobby with Government to give preference to British steel.

**Mr. Jamnadas M. Mehta** (Bombay City: Non-Muhammadan Urban): Sir, before the curtain finally rings down this deplorable business I regard it as my sacred duty to place on record my undiminished opposition to this Bill. I am very proud of this fact, Sir, that although we have been faced by a very cleverly engineered opposition and although, as at present constituted, this Assembly merely leads to the stultification of public opinion, although we were met by forces of reaction at every stage and by that combination of drilled automatons whom the Government have skilfully selected for nomination, this House has not been demoralised and that 65 elected Members did not hesitate to record their verdict on that historical occasion against this deliberate attempt to place India economically backwards by one generation. On the last occasion, Sir, I referred to Appendix 98

in the proceedings of the Currency Commission and I showed how the public utterances of a responsible Member of this Government were at complete variance with his written telegrams to the Secretary of State, how in fact, Sir, it was decided long before any Commission was contemplated, as it appeared from those telegrams, to attain and maintain exchange at 1s. 6d. sterling until sterling reached parity with gold and how outwardly it was being said that the rise in exchange was due to natural causes. It was even said in those telegrams that all that remained to be done was to get the 1s. 6d. ratio sanctioned by a formal Commission. To-day I want to bring up to date the further steps which have been taken in this very unfortunate business of raising exchange to 1s. 6d. Even while the Commission was still sitting and investigating, we find that the Government were compelled to deflate in order to keep exchange near 1s. 6d. And what is worse, when they found that in spite of that deflation, exchange showed signs of going down, there came forward an unlimited offer of sale of Reverse Councils at 1s. 5½d. in April, 1926, while the Commission was supposed to be investigating; and it was only then that the downward tendency was arrested. Subsequent events are matters known to the House and to the country. One more incident in this policy of deflation was that the created securities were reduced by 5 crores, and the claim was made that that deflation was carried out as a result of the recommendation of the Commission. From a telegram published in the *Times of India* on the 18th October, 1926, we find that the Deputy Controller of Currency has issued the following press communiqué. It reads as follows:

"One of the recommendations of the Currency Commission is that the Government of India securities in the Paper Currency Reserve be reduced as soon as possible to 50 crores with a view to place the composition of the Reserve in a sounder position and to facilitate the introduction of an improved currency standard. The Government of India have accordingly cancelled 5 crores out of created securities in the Paper Currency Reserve."

Sir, to the uninstructed this communiqué would appear as if it was carrying out the recommendations of the Currency Commission. One has only to look to the recommendation of the Currency Commission on this point to find out how thoroughly the public was being misled, how, I may say, altogether without any scruple the Currency Commission's recommendation was being used to do a thing which the Currency Commission did not recommend. The Currency Commission recommended the reduction of created securities to 50 crores. That is true. But they further recommended that the securities so reduced were to be replaced by genuine securities; the Government of India carried out the first portion, neglecting to carry out the second portion and yet they claimed they were carrying out what the Commission had recommended.

That is part of the game by which this 1s. 6d. ratio has been maintained, and yet a public document has made the misstatement that it was in pursuance of the recommendations of the Currency Commission that this deflation was being carried out. Then, Sir, the further incident, which happened even while the House has been sitting, is that the emergency currency, 4 crores of which was promised to be issued at 6 per cent. to the Imperial Bank of India nearly 2½ years ago, was refused, and Government said that until the Bank rate was 7 per cent. or until they were paid 7 per cent., they would refuse to issue any additional currency. This attempt to starve India of currency with a view to maintain exchange at 1s. 6d. raised a protest from the *Statesman* which is by

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no means friendly to the 1s. 4d. ratio, and that paper says in its issue of the 13th February, 1927:

"Under the Paper Currency Act, 4 crores of inflation is provided for against Trade Bills with the Bank rate at 6 per cent., and it was confidently anticipated that recourse would be had to these powers. It was announced yesterday, however, that Government had refused to issue fresh currency against Trade Bills under 7 per cent., and that 4 crores had been issued at this rate. It is difficult to understand why relief was not granted to the market at the lower rate and the action of the Government will doubtless give rise to a storm of protest from those who maintain that the currency is at present manipulated to serve the interests of Government and not those of the country."

Sir, it was in this manner that, right up to a month ago, the Government went on creating stringency in the money market, starving the country of currency and thereby maintaining some semblance of parity at 1s. 6d. Government could have stabilized the ratio at 1s. 4d. gold in October, 1924, if they had wished, and that great firm of brokers, on whom so much reliance has been placed by the Finance Member for carrying through this legislation, has stated that a golden opportunity was allowed to be lost when Government did not go to 1s. 4d. in October, 1924. Sir, there is one more statement I should like to make in order to prove to the House that in the matter of reaching 1s. 6d. and maintaining it, Government has never really stated the truth to this House or to this country. On the 19th September, 1924, Sir Purshotamdas Thakurdas asked in the Assembly a certain question, and in replying the Finance Member said:

"Before action can be taken, very careful consideration must be given to the question whether a rate of 1s. 4d. gold or some higher rate is most likely to be beneficial to India, regard being had to the consumer and the tax-payer as well as other interests concerned."

Sir Purshotamdas then asked whether it would be correct that Government thought a higher rate than 1s. 4d. would be beneficial, and the reply of the Finance Member was that the inference was incorrect. This was on the 19th of September, 1924. The inference that Government thought 1s. 6d. was in the interests of India was incorrect according to the Finance Member, and Government could not say what rate would have to be adopted finally. This statement was made in this House on the 19th of September, 1924, and in October, 1924, we read that Government had declared to the Secretary of State that they had made up their mind to have 1s. 6d. But at any rate this was the 19th September, when the first reply to Sir Purshotamdas was given. The worst is what follows. On the 22nd of January, 1925, the Finance Member in a speech on the Paper Currency Bill said:

"The choice of a suitable ratio depends entirely on what rate is easily maintained and easily attainable."

This was said in January, 1925, fully three months after Government had made up their minds what ratio they would attain and maintain. This will live in history as an attempt to bamboozle this Assembly and this country into believing something which the Government themselves never intended to do. They had made up their minds to take the rate to 1s. 6d., they took all the steps to take it to 1s. 6d., and they intended to maintain it at 1s. 6d. regardless of consequences. There has been, as a consequence, a deflation of 80 crores in the course of a single year and that has enabled Government to maintain the rate at 1s. 6d., or to make some appearance of doing so. Even now, with the Assembly having accepted 1s. 6d., exchange refuses to be maintained at 1s. 6d. It is still a little below 1s. 6d. . . . .

**The Honourable Sir Basil Blackett:** Is the Honourable Member aware that we have purchased nearly a million pounds at 1s. 6d. since that date?

**Mr. Jamnadas M. Mehta:** Is the Honourable Member aware that immediately he entered the market, the exchange came down?

**The Honourable Sir Basil Blackett:** None the less we purchased more afterwards.

**Mr. Jamnadas M. Mehta:** And the exchange is not at par yet. That is the best testimony of the stability of the so-called *de facto* ratio.

Since 1920 the attempt to starve this country has resulted, apart from the absence of any normal expansion due to the 2 shilling rate, in a deflation of 66 crores of rupees; and you have to add to that a further 15 to 20 crores which is necessary every year according to the opinion of Mr. Kisch, given before that Commission. I think Mr. Kisch is a responsible officer of the India Office. This officer has maintained that the normal absorption of currency . . . .

**The Honourable Sir Basil Blackett:** What Mr. Kisch said was the average figure before the War was that, which is quite a different thing from saying it was normal or necessary.

**Mr. Jamnadas M. Mehta:** What is the difference between normal and average? Has Mr. Kisch stated that things have changed since the war? If anything this absorption ought to increase with the increase of prices and population since 1914. I do not know if Mr. Kisch has said that the normal or, if you will, the average tendency has ceased to operate because war intervened. (*Sir Walter Willson:* "Divide.") I think the Honourable Member will be best advised to leave this House and divide himself from us. It is a tragedy that Members elected by European interests should regard this matter so lightly that, when we are coming to the final stages of this Bill, they should be more anxious to go away to their clubs than to stay for work. Sir, I am not going to allow them to divide until I have finished the whole statement of the country's cause . . .

**Mr. K. Ahmed:** You have not taken a lease of the country, have you? (Laughter.)

**Mr. Jamnadas M. Mehta:** I have now shown how this deflation has been systematically carried out in one case in defiance of the recommendations even of this Commission. The speech which my friend Dr. Suhrawardy made is full of humour and full of nice phrases and sentences, but if he will allow me to say so, it did not contribute a single iota of argument to the important discussion in which we are engaged . . . .

**Mr. K. Ahmed:** But he told you that already.

**Mr. Jamnadas M. Mehta:** Sir, it has been alleged in this House and outside that the fight for this ratio is merely the stunt of some capitalists. We are told that Government are solicitous of the welfare of



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the worker and his wages and that they are trying to protect the worker against the capitalists. Sir, this dissimulation would be very amusing if it was not tragic in its consequences; all I can say is that these statements are utterly at variance with facts. I have tried to analyse the evidence of the witnesses who appeared before the Commission; I leave aside the whole group of capitalists whose evidence is of course discounted for reasons easily understood; in my opinion the capitalists of this country have stated the country's case with a fulness, thoroughness and impartiality that does credit to them and of which we are proud. But it is not merely the capitalists who have denounced 1s. 6d. I have gone through the evidence of professors of colleges and also of laymen who are neither professors nor capitalists and I find that they also are mostly against 1s. 6d. Professors who have given evidence before the Currency Commission number nearly 16 and out of 16 only one man has clearly said that he is in favour of 1s. 6d. 14 others—all Indians—have said they are against 1s. 6d. The second professor who said he was in favour of 1s. 6d., said 1s. 6d. was also unsuitable but it was the lesser evil. (Mr. K. Ahmed: "But they are not practical men, are they?") You will not listen to practical men, you will not listen to professors; you will only listen to Sir Basil Blackett and you are free to do so. I would like, Sir, to enumerate the names of these distinguished men because every one of them holds a position in this country by the fact of his learning and by the fact of his present post as professor in some part of India. Dr. Basu is a gentleman now at Lahore; Professor Chabliani at Delhi. (Mr. K. Ahmed: "Professor Chabliani is for 1s. 6d.") You can read his evidence, many people have changed since they have come here; but you can read his evidence and you will find he is in favour of 1s. 4d. Then there is Professor Gyan Chand at Benares; Mr. Vakil of Bombay, whom Sir Basil Blackett is so fond of quoting, is definitely in favour of 1s. 4d. There are Messrs. Wadia and Joshi, also in favour of 1s. 4d.; Mr. Bal Krishna and Dr. Pramatha Nath Banerjee favour 1s. 4d.; Professor B. R. Rao is undecided. Then Mr. J. C. Sinha of Dacca is in favour of 1s. 5d.; not 1s. 6d.; Professor K. T. Shah is in favour of 1s. 4d.; Professor Duraiswami Ayyar is in favour of 1s. 4d.; and so on. All these learned men scattered over the country, from Delhi, Bombay and Madras to Dacca, Lahore, and Agra, all these learned men who had the opportunity to study this question deliberately give their evidence in favour of 1s. 4d.; so that it cannot be contended that it is only the capitalists of this country who are artificially aiding an agitation. Sir, we have our captains of industry, our Chambers of Commerce, our professors, our laymen and 65 elected Members of this House all bodily voting for 1s. 4d.; it is only because this sham reform leads to the stultification of public opinion in this House that 65 elected Members can be voted down by 28 elected and 40 nominated Members. Those 65 represent lakhs and lakhs of voters. Whom do these 40 represent? They represent their stomachs and the stomachs of their wives and children. Whom do they represent, I should like to know, except their own salaries, wages and emoluments. Yet these 40 people can vote down the 65 elected Members who owe their seats to the suffrages of lakhs of voters supported by lakhs in their turn. Because of the sham reforms it has been possible to stultify public opinion and carry through this legislative measure by 2 or 3 votes over the heads of the representatives of the people.

Sir, I do not want to say anything against the European elected Members. They have honestly tried to do what they thought best. I will also state the opinions of laymen who have given their opinion in favour of 1s. 4d. before the Commission, gentlemen who were neither professors nor merchants. One is the Honourable Mr. Chakravarty of Bengal. My Honourable friend Dr. Suhrawardy will note that there is no absence of Bengal opinion in favour of 1s. 4d. My Honourable friend Mr. Lahiri Chaudhury who comes from Bengal only the other day spoke in favour of 1s. 4d., if only Dr. Suhrawardy had taken the trouble to be present in the House. Both Mr. J. M. Sen Gupta and Mr. Goswami have spoken time and again in Calcutta in favour of 1s. 4d.—if only Dr. Suhrawardy had taken the trouble to read the newspapers. As regards Messrs. Chakravarty and Raju and others, these gentlemen giving evidence before the Commission have all voted for 1s. 4d. Now, Sir, I must leave that question.

We have contended that if you carry 1s. 6d. because adjustments have not taken place there will be a slump in trade, industry, agriculture and a general set-back to the economic conditions in this country. I will now try to show, Sir, how the various interests will lose during the period of adjustment. The word "adjustment" is easily spoken by people who have not to go through that painful process; but the word stands for unjust loss and injury to innumerable persons. It represents the forced valuing down of stocks among manufacturers. It represents evictions of tenants. It represents the slow and painful starvation of the agriculturists. It represents a general raising of taxation by 12½ per cent. without the people knowing it. All these things are euphemistically called adjustment; yet the word adjustment is easily spoken and easily accepted by people who are willing to vote for 1s. 6d. Sir, I want now to show that all these interests will have to suffer until adjustment has taken place. I shall take the tax-payer first. In the words of Professor Keynes when you appreciate your standard by 12½ per cent., if everybody were to accept 12½ per cent. less simultaneously then of course the adjustment would be thoroughly complete and we can go on to our new ratio without any hesitation and without any qualms of conscience; but I have attempted to show on the last occasion that at least in the matter of our civil and military establishment, including Railways, where we pay 70 crores of rupees a year, no 12½ per cent. reduction has been made or can be made. On the contrary, as a result of this 1s. 6d. the Benches opposite and all the services will get a concealed raising of their salaries by 12½ per cent. for all time to come. Just think of the enormity! In 1919 when the Reforms Act was put on the Statute-book and when Mr. Montagu wanted to pay the price of making or inducing these Civil Services to agree to the Reforms a general increment of wages and salaries was given to the Civil Service. Prices were ruling high; the price level in 1919 was somewhere above 200—I will give the exact figure so that there may be no difficulty—it was 222 as compared with 100 in 1914; with the price level at 222 increments were given to the Civil Services by Mr. Montagu as consideration for their acceptance of the reforms. Prices steadily fell until to-day they are at 146, which means that we can buy with Rs. 146 to-day what it cost us Rs. 222 to buy in 1919. Yet in 1924 this Lee Commission gave them another increment and a number of concessions. The basic salary was raised; in addition the Commission gave an overseas pay which can be

[Mr. Jamnadas M. Mehta.]

remitted at 2s. to the rupee. That was an additional concession in 1924. Think of the already heavy salaries which they got before 1919, think of the increments in 1919 out of all proportion. Further consider the Lee Commission's recommendations which gave them a higher basic pay, an additional overseas pay plus the right of remitting the overseas salary at 2s.; and now comes the latest stroke in 1927—they get a concealed enhancement of 12½ per cent. on their present emoluments. I maintain, Sir, that these tremendous burdens on the people of India far from being adjusted to the new ratio remain heavy as they were and are becoming even heavier.

Sir, if the House will look to the Budget of 1927-28, on page 3, they will find that this country is paying Rs. 45 crores a year, by way of interest on its loans. Not the whole of this interest is going to come down by 12½ per cent. If it were, it ought to cost us something like 6 crores less by way of interest. Further, 70 crores of establishment charges cannot be adjusted, and there are other budgetary items amounting in all to 5 crores which being fixed cannot be reduced by 12½ per cent.; so that we have a total of 70 plus 25 plus 5 crores, or a total of 100 crores cost of the Government of India including Railways which cannot be adjusted in terms of the new ratio by 12½ per cent. The burden of the non-adjustment must be borne by the tax-payer. That is the position, and I hope the House will bear that in mind when they proceed to vote—that they are raising their taxation on the people of this country on these fixed budgetary items by 12½ per cent. so far at least these things are concerned. And what is the total? The total expense of the Government of India is Rs. 125 crores if you exclude Railways: out of these 125 crores 40 crores represent the salaries of establishments, civil and military, 25 crores represent interest on the rupee portion of our debt and 5 crores represent other fixed payments, 40 plus 25 plus 5 or a total of 70 crores out of 125 crores will remain fixed and immutable and cannot be altered to the new ratio and therefore taxation must be maintained at a high level.

This is the story of the adjustment or rather non-adjustment, so far as the tax-payer is concerned. Take another aspect of this non-adjustment. We have nearly 300 crores of rupees and Rs. 180 crores of notes circulating. As against that we have certain reserves. If you strike a balance sheet of your liabilities and your assets to-day, as you will pass this Bill, this country stands to lose 364 lakhs of pounds as a result of this going up to a higher ratio. When these 300 crores of rupees come for conversion into gold and your 180 crores of paper notes come up for conversion into gold, you have to pay for every one rupee 8.47 grains of gold as against 7.53 grains of gold which you used to pay; and as a result if you strike your currency balance sheet to-day, you have undertaken in terms of gold as a result of going up to the higher exchange a liability of 480 crores' grains of gold more than you would have paid if 1s. 4d. was adopted. The liability on our currency reserves alone is thus increased by nearly 86.4 million sterling.

Coming to the question of the public debt, I mentioned the other day that the rupee debt of the Government of India would be increased under 1s. 6d. The Honourable the Finance Member has tried to answer this contention in the other House before it was raised here; after it was raised here, he has not dared or cared to answer it partly because our case is unanswerable, partly because it is prudent enough not to attempt an answer to a case which is damaging against you, and partly because when you are

sure of your votes you need not answer. These three causes have prevented the Government from replying to our contentions. But I once more repeat that as a result of this higher ratio we will be compelled to pay to our rupee creditors Rs. 56 crores more (or their gold equivalent more) than we would have to pay under 1s. 4d. The argument against our point of view was that you have to think of the ratio at which that debt was raised, and you have to think of the commodity value of the debt when it was raised. I will cite one example only to illustrate the futility of that argument. We have raised on the 1st October, 1922, five-year bonds of the face value of Rs. 27,88,22,000. On the 1st October, 1922, we raised that debt. Sir, the ratio of exchange on that date was 1s. 2 $\frac{3}{4}$  d. in gold. They become due on the 1st of October, 1927, in this very year; the ratio will now be 1s. 6d. gold to the rupee and if there was any justice in the argument that you should repay your debt at the ratio at which it was raised, you would have to pay instead of Rs. 27,88,22,000 only 20 crores or thereabouts. Will our bond holders accept 20 crores instead of 27 crores? If you could repay your debt at the ratio at which it was raised the confusion will be endless; the same objection applies to the argument based on the commodity value of your debt—it leads to absurd results. . . . .

**Mr. President:** I do not desire to interrupt the Honourable Member, but I should like to know how long he is going to take?

**Mr. Jamnadas M. Mehta:** I am going to take one hour, Sir, with your permission; the case for the people has to be stated. If it is to be defeated, it is our ill-luck; but the case cannot be allowed to go by default.

**Mr. President:** The Honourable Member is not the only Member who will put the case for the people; there are other Members besides him.

**Mr. Jamnadas M. Mehta:** I know that other Members will do their duty, Sir; but you will permit me to do mine.

**Mr. President:** In that case all I can say is that the House will have to sit to-morrow night and if necessary the day after to-morrow night from 9 till 12 or 12-30. Before I adjourn the House till to-morrow morning I might inform the House that to-morrow night I propose to sit from 9 o'clock and continue till midnight. We will begin as usual at 11 o'clock to-morrow morning and continue up to 5 o'clock in the afternoon. Then, after a break, I propose to sit again at 9 P.M. and continue till 12-30 or 1. when Honourable Members might go on talking as much as they like provided they are relevant. This House now stands adjourned till to-morrow morning at 11 A.M.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 22nd March, 1927.