

7th July 1930

**THE
LEGISLATIVE ASSEMBLY DEBATES**

(Official Report)

Volume IV

(7th July to 18th July, 1930)

SEVENTH SESSION

OF THE

THIRD LEGISLATIVE ASSEMBLY

1930

Chamber Fungayod.



SIMLA
GOVERNMENT OF INDIA PRESS
1930

CORRIGENDA.

In the Legislative Assembly Debates, Simla Session, 1930—

- (1) Vol. IV, No. 3, dated the 10th July, 1930—
 - (i) page 69, line 4 from the bottom, for "catchwards" read "catchwords".
 - (ii) page 72, line 7 from the bottom, for "conceiably" read "conceivably".
 - (iii) page 91, line 14 from the bottom, for "I do not.....Resolutions" read "I do not want to read to you all the recent Resolutions".
 - (iv) page 93, line 10, for "if your please" read "if you please".
- (2) Vol. IV, No. 4, dated the 11th July, 1930, page 129, line 22, for "those are in favour" read "those who are in favour".
- (3) Vol. IV, No. 6, dated the 14th July, 1930—
 - (i) page 291, line 13, for "I am aware" read "I am not aware".
 - (ii) page 306, for the reply to unstarred question No. 53, substitute the following :—
 - " Mr. G. M. Young : (a) Yes.
 - (b) A copy of my letter, dated the 24th March, 1930, to Pandit Thakur Das Bhargava is in the Library "
 - (iii) Page 340, line 20, for "intportance" read "importance".
- (4) Vol. IV, No. 7, dated the 15th July, 1930, page 464, from the first subject-heading delete the word "Ajmer-Merwara".
- (5) Vol. IV, No. 9, dated the 17th July, 1930, page 610, line 18, for "Mr. S. C. Mitra" read "Mr. B. N. Misra".
- (6) Vol. IV, No. 10, dated the 18th July, 1930, page 661, after the reply to part (c) of starred question No. 296, insert the following reply to part (d) of the same question :—
 - " (d) Certain concessions were given in the 1929 examination which was for departmental candidates only."

Legislative Assembly.

President.

Sir

THE HONOURABLE MAULVI MUHAMMAD YAKUB.

Deputy President.

SIR HARI SINGH GOUR, KT., M.L.A.

Panel of Chairmen.

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

MR. M. R. JAYAKAR, M.L.A.

SIR HUGH COCKE, KT., M.L.A.

NAWAB SIR SAHIBZADA ABDUL QAIYUM, K.C.I.E., M.L.

Secretary.

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

Assistant of the Secretary.

RAI SAHIB D. DUTT.

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THE
LEGISLATIVE ASSEMBLY DEBATES

(OFFICIAL REPORT OF THE SEVENTH SESSION OF THE
THIRD LEGISLATIVE ASSEMBLY.)

VOLUME IV—1930

LEGISLATIVE ASSEMBLY.

Monday, 7th July, 1930.

The Assembly met in the Assembly Chamber in Simla at Eleven of the Clock, being the first day of the Seventh Session of the Third Legislative Assembly, pursuant to S. 63-D (2) of the Government of India Act. Mr. Deputy President (Maulvi Muhammad Yakub) was in the Chair.

MEMBERS SWORN.

The Honourable Sir Joseph William Bhere, K.C.I.E., C.B.E. (Member for Industries and Labour) ; Mr. Naranaswami Ayyar Natesa Ayyar, M.L.A. (Madura and Ramnad *cum* Tinnevely : Non-Muhammadan Rural) ; Mr. Gogineni Ranganayakulu, M.L.A. (East Godavari and West Godavari *cum* Kistna : Non-Muhammadan Rural) ; Khan Bahadur Ardeshir Hormusjee Mama, M.L.A. (Sind : Non-Muhammadan Rural) ; Rao Bahadur Dongarsingh Ramji Patil, M.L.A. (Bombay Central Division : Non-Muhammadan Rural) ; Mr. Eric Studd, M.L.A. (Bengal : European) ; Mr. L. C. Buss, M.L.A. (Bengal : European) ; Mr. Badri Narain, M.L.A. (Cities of the United Provinces : Non-Muhammadan Urban) ; Mr. Budh Perkash, M.L.A. (Meerut Division : Non-Muhammadan Rural) ; Mr. Raghuber Singh, M.L.A. (Agra Division : Non-Muhammadan Rural) ; Mr. L. Narendra Pratap Sahi, M.L.A. (Fyzabad Division : Non-Muhammadan Rural) ; Rai Bahadur Lala Panna Lal, M.L.A. (Ambala Division : Non-Muhammadan) ; Pandit Chuni Lal, M.L.A. (Jullundur Division : Non-Muhammadan) ; Dr. Nand Lal, M.L.A. (West Punjab : Non-Muhammadan) ; Mr. Bishwa Nath Misra, M.L.A. (Orissa Division : Non-Muhammadan) ; Sardar Jayawantsinhji Ranmalsinhji, M.L.A. (Bombay Northern Division : Non-Muhammadan Rural) ; U. Dwe, M.L.A. (Burma : Non-European) ; Rao Sahib Baburao Ramji, M.L.A. (Berar Representative) ; Mr. Girja Shankar Bajpai, C.I.E., C.B.E., M.L.A. (Government of India : Nominated Official) ; Mr. Hubert Arthur Sams, C.I.E., M.L.A. (Director General of Posts and Telegraphs) ; Mr. Tin Tūt, M.L.A. (Department of Industries and Labour : Nominated Official) ; Mr. Rama Shankar Bajpai, O.B.E., M.L.A. (Director of Public Information) ; Mr. James Carlyle

(1)

Stodart, M.L.A. (Madras : Nominated Official) ; Mr. Alfred Charles Turner, M.B.E., M.L.A. (United Provinces : Nominated Official) ; Mr. A. Appadurai Pillai, M.L.A. (Madras : Nominated Official) ; Mr. Abdullah-mia Osmanmia Koreishi, M.L.A. (Bombay : Nominated Official) ; and Mr. Guru Saday Dutt, M.L.A. (Bengal : Nominated Official).

GOVERNOR GENERAL'S ASSENT TO BILLS.

Mr. Deputy President : I have to inform Honourable Members that the following Bills, which were passed by both Chambers of the Indian Legislature, have been assented to by His Excellency the Governor General under the provisions of sub-section (1) of section 68 of the Government of India Act :

1. The Provident Funds (Amendment) Act, 1929.
2. The Dangerous Drugs Act, 1930.
3. The Indian Sale of Goods Act, 1930.
4. The Indian Contract (Amendment) Act, 1930.
5. The Transfer of Property (Amendment) Act, 1930.
6. The Prisons (Amendment) Act, 1930.
7. The Indian Patents and Designs (Amendment) Act, 1930.
8. The Repealing and Amending Act, 1930.
9. The Cantonments (House-Accommodation Amendment) Act, 1930.
10. The Insolvency Law (Amendment) Act, 1930.
11. The Indian Tariff (Amendment) Act, 1930.
12. The Steel Industry (Protection) Act, 1930.
13. The Inland Steam-Vessels (Amendment) Act, 1930.
14. The Indian Railways (Amendment) Act, 1930.
15. The Indian Finance Act, 1930.
16. The Transfer of Property (Amendment) Supplementary Act, 1930.
17. The Cotton Textile Industry (Protection) Act, 1930.
18. The Silver (Excise Duty) Act, 1930.
19. The Indian Companies (Amendment) Act, 1930.
20. The Destructive Insects and Pests (Amendment) Act, 1930.
21. The Indian Income-tax (Amendment) Act, 1930.
22. The Indian Income-tax (Second Amendment) Act, 1930.
23. The Indian Income-tax (Third Amendment) Act, 1930.

STATEMENT LAID ON THE TABLE.

INTRODUCTION OF AN ELECTIVE ELEMENT INTO THE PESHAWAR MUNICIPAL COMMITTEE.

Sir Frank Noyce (Secretary, Department of Education, Health and Lands) : Sir, I lay on the table the information promised in reply to starred question No. 511 asked by **Maulvi Muhammad Yakub** on the 12th March, 1930, regarding the introduction of an elective element into the Peshawar Municipal Committee.

- (a) (i) Yes.
- (ii) No. The Extra Assistant Commissioner, who was appointed, resides in the suburbs of the city of Peshawar and is fully cognizant of the conditions in that city.
- (iii) No.
- (iv) The majority of the inhabitants refused to give any reliable information regarding their financial status, as they were afraid that the information might be used in connection with the assessment of income-tax. Considerable difficulty was, therefore, experienced in preparing electoral rolls. When the rolls were published for inviting objections, the general public showed no disposition either to apply for registration or to point out inaccuracies and omissions until the period which was allowed for submission of objections had almost expired. Applications were then received that the period for receiving objections should be extended and that the entire programme of elections should be altered. The rules, however, did not permit of the period being extended and the request had, therefore, to be refused.
- (v) There is no record of any such applications having been sanctioned.
- (b) Does not arise.
-

THE INDIAN LAC CESS BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

The Honourable Sir George Rainy (Member for Commerce and Railways) : Sir, I present the Report of the Select Committee on the Bill to provide for the creation of a fund for the improvement and development of the cultivation, manufacture and marketing of Indian lac.

THE NEGOTIABLE INSTRUMENTS (SECOND AMENDMENT) BILL.

The Honourable Sir George Schuster (Finance Member) : I beg to move that the Bill further to amend the Negotiable Instruments Act, 1881, for a certain purpose, be referred to a Select Committee consisting of the Honourable the Deputy President, Sir Cowasji Jehangir, Mr. B. Das, Mr. Fazal Ibrahim Rahimtulla, Mr. Kikabhai Premchand, Mr. W. Alexander, Mr. H. Shankar Rau, Mr. A. H. Ghuznavi, and the Mover, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be four.

Mr. Deputy President : Motion moved :

“ That the Bill further to amend the Negotiable Instruments Act, 1881, for a certain purpose, be referred to a Select Committee consisting of Maulvi Muhammad Yakub, Sir Cowasji Jehangir, Mr. B. Das, Mr. Fazal Ibrahim Rahimtulla, Mr. Kikabhai Premchand, Mr. W. Alexander, Mr. H. Shankar Rau, Mr. A. H. Ghuznavi, and the Mover, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be four ”.

(After a pause.)

The question is :

“ That the Bill further to amend the Negotiable Instruments Act, 1881, for a certain purpose, be referred to a Select Committee consisting of Maulvi Muhammad Yakub, Sir Cowasji Jehangir, Mr. B. Das, Mr. Fazal Ibrahim Rahimtulla, Mr. Kikabhai Premchand, Mr. W. Alexander, Mr. H. Shankar Rau, Mr. A. H. Ghuznavi, and the Mover, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be four ”.

As many as are of that opinion will say “ Aye ”.....

Dr. Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : On a point of order, Sir.....

Mr. Deputy President : But the Honourable Member did not rise in his seat when the motion was moved.

Dr. Ziauddin Ahmad : But I wanted to move a point of order.....

Mr. Deputy President : When the question is being put, how can the Honourable Member rise to a point of order ?

The motion was adopted.

THE INDIAN FOREST (AMENDMENT) BILL.

Mr. G. S. Bajpai (Government of India : Nominated Official) : I beg to move for leave to introduce a Bill to amend the Indian Forest Act, 1927, for a certain purpose.

Mr. Deputy President : The question is :

“ That leave be given to introduce a Bill to amend the Indian Forest Act, 1927, for a certain purpose.”

The motion was adopted.

Mr. G. S. Bajpai : I introduce the Bill.

Sir Hari Singh Gour (Central Provinces Hindi Divisions : Non-Muhammadan) : What is “ kuth ” ?

Mr. G. S. Bajpai : It is a root.

THE INDIAN TELEGRAPH (AMENDMENT) BILL.

The Honourable Sir Joseph Bhoré (Member for Industries and Labour) : I beg to move for leave to introduce a Bill further to amend the Indian Telegraph Act, 1885, for a certain purpose.

The motion was adopted.

The Honourable Sir Joseph Bhoré : I introduce the Bill.

THE BOMBAY CIVIL COURTS (AMENDMENT) BILL.

The Honourable Mr. H. G. Haig (Home Member) : I beg to move for leave to introduce a Bill further to amend the Bombay Civil Courts Act, 1869, for a certain purpose.

The motion was adopted.

The Honourable Mr. H. G. Haig : I introduce the Bill.

DEMANDS FOR SUPPLEMENTARY GRANTS.

HOME DEPARTMENT.

The Honourable Sir George Schuster (Finance Member) : I beg to move :

“ That a supplementary sum not exceeding Rs. 32,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1931, in respect of ‘ Home Department ’.”

Dr. Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : I sent a token cut in connection with this motion, but unfortunately it was not delivered, and now I have to speak on the motion. In the first place, I object to the words “ Reforms Department ” here, because I have got in my mind one definition of reform and my interpretation of reform is this ; that the powers now vested in the Secretary of State may be transferred to the Government of India, and the powers now vested in the Government of India may be transferred to the Legislative Assembly. If a thing of this kind happens, then I will call it a reform, but if one simply changes the organisation without definitely transferring power either from the Secretary of State to the Government of India or from the Government of India to the Legislative Assembly, then I do not call it a reform. The office dealing with changes in organisation cannot be called a Reforms Office. So, I object to the words “ Reforms Office ” ; it would be better to call it “ Transform Office ”, because the Simon Commission has not recommended any reform which this office deals with. The office interests itself in the transformation and not the reformation of the machinery of Government.

There is a second point to which I would like to draw attention and that is this. The Honourable the Home Secretary, now the Home Member, definitely promised to a deputation that he would look after the interests of the Muhammadans in the Secretariat appointments, and we at least thought at that time that the promises.....

Mr. Deputy President : Questions of policy cannot be discussed on a supplementary grant.

Dr. Ziauddin Ahmad : I want to oppose it.

Mr. Deputy President : But this is a question of policy which the Honourable Member wants to discuss.

Dr. Ziauddin Ahmad : The thing is this. I wanted simply to draw attention, but if it be out of order, I withdraw it. I wanted to draw attention to the fact that, in this new Department, the Home Secretary has entirely ignored the claims of Muhammadans : not only this, but the appointments have gone to the members of the same family. But if you think that I am out of order in raising this question at this stage, then I resume my seat.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran : Non-Muhammadan) : Sir, I should like to say just one word. This Demand is at least partly connected with the Report of the Indian Statutory Commission. Those of us who boycotted the Simon Commission voted against this Demand in the Standing Finance Committee, and we wanted our protest to be recorded, which has been done. But as the issue raised now will be covered substantially on a Demand which is coming up later on, I do not want to raise a debate on this occasion, but we on this side of the House would reserve our comments or protest till then. That is all I wish to say just now.

Mr. M. K. Acharya (South Arcot *cum* Chingleput : Non-Muhammadan Rural) : Before the House disposes of the motion before us, I should like to know what exactly is going to be the work of this Reforms Office. I do not believe I shall go into the terminological diversions to which my Honourable friend referred. It is not very material whether you call it a "Reforms Office" or a "Transform Office". Whether it is a Reforms Office or a Transform Office, or Deform Office, or whatever else it may be, the fact is there, that there is going to be some office of this kind. I do not like to give out the secrets of the Standing Finance Committee, as my Honourable friend, Mr. Gaya Prasad Singh, tried to do, but I certainly think that there is nothing wrong in saying that we must have as much information as possible as to the work that this office is going to do, before we give our sanction to the money that is asked for. I believe this would be a very legitimate request to make. I do not believe that my Honourable friend was right there when he said that this grant is going to be applied in connection with the Simon Commission's Report or any thing of that kind. As I understand, this Reforms Office, would deal practically with the ministerial work in connection with all papers bearing on the general subject of reforms. Some of my own schemes have been sent up to that office, or to some office in connection with the Home Department, and I believe I got an acknowledgment of them by somebody calling himself an officer of the Reforms Office. So I take it for granted that all schemes and papers connected with the coming reforms are being dealt with there ; but I admit it is not for me to guess. It is for the Government to place before us all the facts. We have a right to demand what exactly this office is going to do, and I think the information ought to have been given. It is the duty of the Government to place before the House all the available facts relating to the work that this office has been doing till now and to what work it will do in the near future. We want to know whether this office will serve the purpose for which I hope it has been created. I think we want more information if we are expected to give an intelligent vote on the motion before the House.

Mr. Amar Nath Dutt (Burdwan Division : Non-Muhammadan Rural) : Sir, I do not share the opinion of the Honourable Member who preceded me. With the Report of the Simon Commission that we have in hand, and especially the second volume, I think it would have been better for the Government not to press for a supplementary grant. We know that ours is a voice crying in the wilderness. We know that whatever advice we may give to Government, they will not be guided by our advice, even if that advice be the best under the circumstances possible, but we have also a duty to the taxpayers of our country, and however insignificant the sum may appear to the Government who deal in crores, this sum of Rs. 32,000 is certainly not an insignificant amount for the vast

starving millions of the people of India. After the publication of the second volume of the Simon Report, it were well for the Honourable the Home Member if he had seen his way to set fire to all that related to the reforms inquiry and the Reforms Office and thereby save India this sum of Rs. 32,000. There is no need of further reforms if you, in the name of reforms, persist in the way in which you have been persisting. You come before us with grandiloquent phrases about Dominion Status and Federal States. Formerly, those phrases were "Colonial form of government" and the like. But you have not read the unmistakable signs of the times. If you still harp on the reforms, you may as well go back to the constitution of the good old days of the East India Company and say, "Let us have a company of traders who traded in India and tried to exploit India as far as possible". You might even instal a puppet Moghul Emperor on the throne of Delhi, and by showing him all outward semblance of respect, as you did, occupy the whole country and administer it according to your sweet will and desire. But do not speak of reforms. Your history has been one of broken pledges. The country is sick of it. There is hardly any left in the country who has any faith in you. You know all these things, and knowing them as you do, you still persist in your own career for you want to have the loaves and fishes of the service—steel frame as they call it—for your children, your children's children, for centuries to come, if possible. You want to have a market for your manufactured cloth in order to feed the labourer of your country. In all these you have not got a programme for the labourers of this unhappy land who feed you and clothe you. Then take off your mask, if you are going to rule this country for your own interests and say, "We shall rule you with Ordinances and with martial law".

Mr. Arthur Moore (Bengal: European) : Is the Honourable Member in order in asking you to take off your mask ? (Laughter.)

Mr. Deputy President : Mr. Amar Nath Dutt.

Mr. Amar Nath Dutt : The Honourable Member is one of those whom I am addressing. He styles himself a "Statesman and Friend of India". We all know what kind of friend he is. Shall I not be justified if I ask him to take off his mask and style himself "commander and exploiter of India" ? As I was submitting before the House, you can very well relieve the Indian taxpayer of this sum of Rs. 32,000 by burning all the papers which you have in the Reforms Office. If you require a small match stick to light the heaps of rubbish in the Reforms Office, the Indian taxpayer will gladly offer it. It is a shameless exposition of the present methods of Government which still, in the face of the unanimous opposition to the recommendations of the Simon Commission, comes before us and says, "We have still to continue the Reforms Office and you are to grant money". We on our part are certainly not going to grant it. We are going to refuse it, although we know that you, with your official majority, and the majority which you are now commanding as a result of the policy, which you have been pursuing and which has taken away from this Assembly all that is best in India, will carry your view. But there is a higher tribunal.....

Mr. Muhammad Yamin Khan (United Provinces : Nominated Non-Official) : Sir, is it Parliamentary to say that the Government have driven away all that is best in India ?

Mr. Deputy President : There is nothing wrong.

Mr. Amar Nath Dutt : As I was submitting, you may be able to carry this motion, but that will not be with the help of the vote of the representatives of the people of India. We are not going to be a party to any such thing. The Honourable the Home Member comes as a stranger to us (*Voices :* "No, no.") He may not be a stranger to some of us, but he is a stranger at least to me. He was in the other House so long. He has now chosen to come to us. I wish he could see his way to accept our suggestion not to press for this supplementary grant. Even the warm heart of Sir George Schuster, when confronted with the prayers and supplications and, shall I say, orders, of a colleague who happens at the present moment to rule this vast continent, may give way. We told the Honourable the Finance Member that we could not be a party to this and he was pleased to have it on record in the minutes of the Standing Finance Committee that there were people who did not approve of this expenditure. Probably, the Honourable Mr. Haig is unaware of these facts. I once more appeal to him to withdraw this motion.

The Honourable Mr. H. G. Haig (Home Member) : Sir, perhaps I may be permitted to make a few remarks in explanation of the Supplementary Demand. I think it must be within the knowledge of Honourable Members that, for some considerable time past, we have had in the Home Department a Branch dealing with the revision of the constitution, and collecting the enormous amount of material which has to be collected, sifted and arranged, in order that the Government of India, as the period of intensive consideration approaches, should be able to deal with this complicated problem with the greatest possible despatch. Well, Sir, now that this period of intensive consideration is upon us, the work is really outgrowing the capacity of the Home Department and indeed it can no longer be urged that it concerns only the Home Department. It is a matter which concerns the whole of the Government of India and every Department in it. Therefore, it was considered necessary that a separate Branch should be formed—we gave it the name of Reforms Branch, but you might call it anything you like, "Revision Branch" or anything you please—and that that should operate independently of any particular Department. At the same time, as the work was increasing, it was felt necessary to give the Branch some assistance in the way of additional staff, and that is the purpose for which this Supplementary Demand is presented. I do not know that I need add anything more. Possibly I should say a word with reference to what was said by the Honourable Member who disclaimed all acquaintance with me. (Laughter). I think he possibly belongs to that school which believes that these extremely intricate constitutional questions can be solved by merely uttering a phrase, that one arrives at the solution by some system of direct inspiration. But the Government of India feel that that is not the way in which the problem is to be approached, but that they must really apply their minds to the extremely complicated details of this very important problem. It is to enable them to do this, Sir, that we ask for this Supplementary Demand.

Mr. Deputy President : The question is :

"That a supplementary sum not exceeding Rs. 32,000 be granted to the Governor General in Council to defray the charges that will come in course of payment during the year ending the 31st day of March, 1931, in respect of 'Home Department'."

The motion was adopted.

MISCELLANEOUS.

The Honourable Sir George Schuster : Sir, I beg to move :

“ That a supplementary sum not exceeding Rs. 15,50,000 be granted to the Governor General in Council to defray the charge which will come in course of payment during the year ending the 31st day of March, 1931, in respect of ‘ Miscellaneous ’.”

As the amount of this Supplementary Demand is a very large one, I think it is proper that I should give this House some explanation of the position. Those who have read the Report of the Standing Finance Committee will realise that this sum is required to meet claims for compensation to lascars and their dependants for loss and damage caused by enemy action during the war. That is an account which ought to have been settled long ago, but owing to the peculiar circumstances which apply to lascars, it is realised now that all the claims which deserve consideration have not been sent in ; and we have had to make an estimate of what further claims are likely to come in. A fixed date has now been settled, beyond which further claims will not be considered, so that I think we may take it that this represents the final amount which is likely to come up for payment under this head. It is perhaps unfortunate that, in a year like the present, we should have had to come forward for an additional demand of this magnitude, but there is something reassuring which I can say to this House on the matter. The payment of these war claims has always been regarded as a first charge on the reparation receipts which are accruing to the Government. Formerly, as Honourable Members are aware, those reparation receipts were added to the annual provision for the reduction or avoidance of debt, but as provided by a clause in the Finance Bill of last year, we are now taking those reparation receipts to revenue. Therefore, any deduction from them would fall now upon our revenue. But in this particular year, since the beginning of the financial year, we have learnt that we shall receive an amount of about Rs. 31 lakhs on account of Austrian reparations, so that we have that unexpected windfall to our credit to balance this unexpected and large amount to our debit, and on balance the financial results for the year, as arising out of this particular account of war receipts and war claims, will be improved. I hope, Sir, that will be reassuring to Members of the House, and I do not think that any further explanation is called for on this vote.

The motion was adopted.

RESOLUTION RE PREVENTION OF INDUSTRIAL ACCIDENTS.

Mr. Deputy President : The House will now resume discussion on the following Resolution moved by the Honourable Sir Bhupendra Nath Mitra on the 31st March, 1930 :

“ This Assembly, having considered the Recommendation concerning the prevention of industrial accidents and the Recommendation concerning responsibility for the protection of power-driven machinery adopted at the Twelfth Session of the International Labour Conference, recommends to the Governor General in Council that he should examine the possibility of giving effect to the Recommendation concerning the prevention of industrial accidents and that the results of this examination should be placed before this Assembly within eighteen months from this date.”

Maulvi Abdul Matin Chaudhury (Assam : Muhammadan) : Sir, I cannot help expressing my deep regret that the Government have not yet found it possible to accept the Recommendation of the International

[Maulvi Abdul Matin Chaudhury.]

Labour Conference. Now, Sir, when the question is being postponed pending further investigation, I should like to offer one or two brief remarks on this Resolution. This Recommendation, Sir, embodies certain general principles about the prevention of industrial accidents and is meant as a guide to less progressive countries to adopt measures which have been found to be of great value in other progressive countries. Part I of the Recommendation says :

“ Whereas the foundations of the study of accident prevention are

- (a) enquiry into the causes and circumstances of accidents,
- (b) the study, by means of statistics of accidents in each industry as a whole, of the special dangers which exist in the several industries, the ‘ laws ’ determining the incidence of accidents and, by comparison over a series of years, the effect of measures taken to avoid them ;

The Conference recommends that each Member should take the necessary steps, by means of legislative or administrative action, effectively to ensure the collection and utilisation of the above information.”

Now, Sir, this part of the Recommendation lays stress on two points. Firstly, the need for scientific research and, secondly, the collection of statistics for international comparison. The research, if it is to be fruitful, must involve all the factors, human and material, that are involved in the causation of accidents. I need hardly explain to this House, that, by material factors, we mean questions like the protection of machinery, the prevention of the installation of unfenced machinery, ventilation, light, questions relating to the hygienic condition of workshops, and similar other questions. By human factors are meant those factors which arise out of the physical and mental condition of the workers ; factors like industrial fatigue, the question of rest and hours of work and such other questions. I am not aware, Sir, that the Government of India have ever considered it their duty to make any thorough and systematic investigation into these matters, and I hope that this Recommendation will stimulate their effort in that direction.

As regards statistics, the need for the collection of the statistics for international comparison is universally recognised. I should like to read out to the House, in this connection, the opinions of the various Governments in Europe. The German Government, for instance, considers that, in the absence of comparable accidents statistics, it is impossible to draw any conclusion from the result of experience in different countries. The Austrian Government is of the same opinion and adds that the compilation and development of statistics are essential for the safety of the workers. The Government of Holland do consider that international accidents statistics form a highly important guide for the prevention of accidents, and refer particularly to the compilation of statistics, from which conclusions could be drawn as to the danger to certain machinery and certain trade. The French Government regard the industrial accidents statistics as a most valuable source of information. The British Government consider that uniformity of statistics is very desirable and would be in favour of any practical steps that can be taken to ensure it.

As against all these, Sir, the Government of India hold a very peculiar view on the subject. According to them, the conditions in India are so different from the conditions obtaining in the countries of

the West, that any international comparison of statistics will be misleading. I have not been able to understand, Sir, how on the question of the Safety provision and on the question of consequences that may follow from the lack of such a provision, the conditions can be alleged to be different between the East and the West. Unfenced machinery, for instance, is as much a danger to life in the East as in the West. The view of the Government can only be interpreted to mean that life in India is not very valuable; and world-opinion will be misled if they get a very harrowing impression from the high rate of statistics of the industrial accidents in India. The Government of India are therefore reluctant to place their figures before the Bar of International judgment. That is the position.

Then, Sir, Part II of the Recommendation deals with the necessity of co-operation between the workers and the employers on the question of preventing accidents in industrial undertakings. The Recommendation says :

“ In view of the satisfactory results which experience in different countries has shown to follow from co-operation between all parties interested in the prevention of industrial accidents, particularly between employers and workers, it is important that the Members should do all in their power to develop and encourage such co-operation as recommended in the Recommendation on systems of inspection adopted in 1923.”

Here, again, the view of the Government is very reactionary. According to them, any general application of these principles on a large scale is not practicable in India because of the general illiteracy of the masses and their unorganised condition. Now, Sir, the workers are admittedly ignorant and illiterate, but who is responsible for that? The Government of India did not introduce free and compulsory education amongst the masses. Having denied them the education, to come forward with the argument that these people are too illiterate to usefully co-operate is adding insult to injury. But that is not my main point. I maintain that the illiteracy is no bar to their co-operation being secured on this question. Indian workers are as intelligent and shrewd and possess as much commonsense as any other workers in the West. It is these things which count in this connection, and not the fact whether they are capable of signing their names, or not. I hope the Government of India will revise their estimate about the ability of Indian workers and will bear these facts in mind when they come to their final conclusion.

The Honourable Sir Joseph Bore (Member for Industries and Labour) : Sir, the course of the debate does not render it necessary for me to indulge in any elaborate explanation by way of reply. The point I wish to emphasise is merely this, that we are seeking the authority of this House to conduct an investigation to see how far it is possible for us to accept the Recommendations of the International Labour Conference. I am sure the House will agree that we could not give effect to the Recommendations of that Conference without reference to Local Governments, without reference to organisations representing labour and representing employers, and without reference to interested bodies, as, for instance, Insurance Companies. I am most grateful to the Honourable Member who has just now spoken for the suggestions that he has made, and he may rest assured that they will be taken into consideration and given the most careful attention at the appropriate time. I have no further observations to make.

Mr. Deputy President : The question is :

“ That the following Resolution be adopted :

“ This Assembly, having considered the Recommendation concerning the prevention of industrial accidents and the Recommendation concerning responsibility for the protection of power-driven machinery adopted at the Twelfth Session of the International Labour Conference, recommends to the Governor General in Council that he should examine the possibility of giving effect to the Recommendation concerning the prevention of industrial accidents and that the results of this examination should be placed before this Assembly within eighteen months from this date .”

The motion was adopted.

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE.

Mr. Deputy President : The House will now resume further consideration of the following motion moved by the Honourable Sir George Schuster on the 31st March, 1930 :

“ That the Report of the Public Accounts Committee on the accounts of 1927-28 be taken into consideration.”

Mr. B. Das (Orissa Division : Non-Muhammadan) : Sir, during the last Delhi Session, the Honourable Sir George Schuster could not proceed with the detailed discussion of this motion because of the thinness of the House and he could not therefore put forward the point of view of the Government of India in the matter. Although I have had the privilege to know his viewpoint in another place, namely, the Public Accounts Committee, it would very much have helped the discussion on the floor of this House had we had his views in the matter. Sir, Honourable Members of this House, who are all familiar with the

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Government of India Act and the Indian Legislative Rules, know that under the new reforms that came in in 1919, the Legislature was given a certain power, the Legislature was given a certain amount of financial control. Formerly, after the Minto-Morley Reforms, Honourable Members could only talk on the Budget, but they could not touch the Finance Members, because they had no control on them. But after the 1919 Reforms came into force, when the new Legislative Rules were drafted, the Legislature was given certain powers. These powers are embodied in rules 50, 51 and 52 of the Legislative Assembly Manual, a copy of which every Honourable Member possesses. I will read rules 51 and 52 to acquaint Honourable Members with the constitution of the Public Accounts Committee. Article 161, page 57 of the Manual of Business and Procedure reads :

“ As soon as may be after the commencement of each financial year, a Committee on Public Accounts shall be constituted for the purpose of dealing with the appropriation accounts of the Governor General in Council and the report of the audit officer thereon and such other matters as the Finance Department may refer to the Committee.”

The next paragraph deals with the number of persons that can attend the Committee I will now read article 162, rule 52 :

“ (1) In scrutinizing the appropriation accounts of the Governor General in Council and the report of the audit officer thereon, it shall be the duty of the Committee to satisfy itself that the money voted by the Assembly has been spent within the scope of the demand granted by the Assembly.

(2) It shall be the duty of the Committee to bring to the notice of the Assembly—

(i) every re-appropriation from one grant to another grant ;

- (ii) every re-appropriation within a grant which is not made in accordance with such rules as may be prescribed by the Finance Department ; and
- (iii) all expenditure which the Finance Department has requested should be brought to the notice of the Assembly "

Sir, the report which we are considering, the Public Accounts Committee Report of 1927-28, happens to be the seventh report that was presented by the Public Accounts Committee of this House. Although twice or thrice we drew the attention of the Honourable the President and the Government to the point that an opportunity should be afforded for discussion, it was left to the Committee of 1927-28 to formulate proposals as to how it should be discussed. I may inform Honourable Members that these Public Accounts Committees are formed just on the line and on the practice of the British Parliament, with one difference, that in the House of Commons the President of the Public Accounts Committee is a Member of the Opposition, while here the President of the Public Accounts Committee happens to be the Honourable the Finance Member of the Government of India. The same thing happens also in the Provincial Governments, where the Finance Member presides. I may take this opportunity of acknowledging the fairness and courtesy that the Finance Members, Sir Basil Blackett who was a Finance Member of this House for five years, and my Honourable friend, Sir George Schuster, have always shown to the members of the Public Accounts Committee. I must also refer to the fact that at the time of discussion in the Committee, Sir Basil Blackett or Sir George Schuster as Chairman always had taken an independent attitude (Hear, hear), sometimes also forgetting that either of them was the Finance Member of the Government of India or that they were having certain definite interests of the Government of India to safeguard. I refer to this in full appreciation of their work and I acknowledge this part of the fairness on the part of the Finance Members, who have to preside over the Public Accounts Committees under the present constitution. I am not questioning here as to who should be the Chairman of this Committee. After the statutory changes, that question may crop up. But I am only intimating to the House what the present procedure is. There is a practice in the House of Commons that on certain occasions the Public Accounts Committee's reports are discussed on the floor of the House. We that want to follow the precedent of the House of Commons in the working of the Indian Legislative Assembly also want the same procedure to be followed on the floor of this House. I may just remark that a certain Commission, namely, the Simon Commission, has said that we should not follow the British constitution in detail and that we should go to America and follow their Federal constitution. But the American constitution, as far as my knowledge goes, may be a good standard for those seven gentlemen who reported in the Commission, but we all know the political scandals and the manipulations that are going on in America. We all know the Tammany Hall methods of New York State and we also know how the capitalists control the Senate, how the President of the American White House is elected through the rival capitalist factions. I need not refer to the Teapot Dome oil scandal, where even certain American Cabinet Ministers were involved in the charge of profiteering through oil after the great war. Well, Sir, for me America does not offer any standard, and for me Miss Mayo's land has no standard ! I have my quarrel with the British Government and the British

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Parliament and the British Members opposite, but still I would like to see the evolution of a constitution for India on the standard of the British constitution. In the Public Accounts Committee we were indebted to the Finance Department for giving us, in a memorandum, the procedure and practice that is followed in the House of Commons. That was discussed in detail in the Public Accounts Committee of 1927-28, and they made a recommendation, which is given in paragraph 30, page 11, Volume I of that Report. The proposals are summarised here :

“ The proposals which have come forward in the course of this discussion fall under three main heads :

- (a) that on a motion that ‘ the report be taken into consideration ’, there should be a general discussion on the report as a whole analogous to that which takes place at the general discussion stage of the budget ;
- (b) that in addition or possibly as an alternative to a motion that ‘ the report be taken into consideration ’, there should be afforded to the Assembly an opportunity to discuss, on definite resolutions moved special topics referred to, or recommendations made, in the report ;
- (c) that after the motion that ‘ the report be taken into consideration ’ there should be a further motion that ‘ the report be adopted ’ and that it should be open to the Assembly to discuss the vote upon amendments moved to the report.”

All these three alternatives, the Committee discussed last year for many hours, but they could not come to any tentative conclusion. They recorded a finding on page 12 :

“ The opinion of our Committee on the choice between these two alternatives has been divided ; but we are all agreed that it is desirable to avoid fixing any procedure without ascertaining the views of the Assembly.”

This recommendation, my Honourable friend Sir George Schuster has fulfilled by bringing forward this Resolution so that Honourable Members present here may express their views. Whatever the general opinion of this House may be during this Session, that will be carried out in future Sessions. My own personal view I gave before the Public Accounts Committee, but since then I have worked out in my mind a scheme and I feel every Member of the Assembly ought to express his views on the Public Accounts Committee's Report on the floor of this House. They will suggest or recommend to the Executive Government to carry out certain recommendations of the Public Accounts Committee, or take action on the Report that is before them or on the previous Reports of the Public Accounts Committees. But I think that, at this stage, this House ought not to pass any Resolutions, and that this House will have no right to amend the Report of the Public Accounts Committee because the Public Accounts Committee happens to be a statutory committee elected by this House, except three Members that are reserved to the Government of India to nominate. Whatever the findings of that Committee are, they should be accepted by the House, but the Members of the House will exercise their privileges in criticising the Report for improving the work of the future Committees. It may be that the Honourable the Finance Member happens to be the Chairman of the Public Accounts Committee who will move his motion, as he has moved to-day, that the Report of the Public Accounts Committee be taken into consideration. Honourable Members who are interested in it should make their observations and the Executive Government will take such observations into consideration, and

the next year they may report to the Public Accounts Committee what action they have taken with regard to any unanimous proposal made by this House. I was one of those who always advocated, on the floor of this House, the consideration of the Public Accounts Committee's Report, because, in my seven years' experience of the working of this House, I find that the principle, which was conceded through the Public Accounts Committee, that this House should exercise proper financial control, has been neglected by this House, and it mainly laid stress on one principle, the principle of constitutional advancement. Not that I have not joined in that agitation. But that is only one aspect of our work as Members of this House. Sir, for years the elected representatives had no control over the finances. In 1921 that principle was conceded to us. It seems that this House has neglected to exercise its proper functions, and as I have worked for four years on that Committee, I feel that Members of this House should criticise our work and should know what we have achieved in that Committee. A former Auditor-General, Sir Frederick Gauntlett, very nicely expressed the functions of the Public Accounts Committee and I will just read what he said :

“ The primary function of the Public Accounts Committee is to initiate the evolution of fundamental principles and thus to assist the Government in making a complete and accurate statement of those principles.”

As I said, this House had been worried over one particular principle and has not worried over establishing further principles about financial control. The Public Accounts Committee has tried its best, during the last seven years, to initiate further principles and it has established some conventions. It has extracted from Government certain rights and privileges, for which I am proud as a member of that Committee, and as a Member of this Legislature. But I think it is the duty of Members of this House to know what are these privileges that have been extracted from Government on that Committee. I must just mention here that, on the first day that we met this year in the Public Accounts Committee, an Anglo-Indian paper—it is not my friend Mr. Arthur Moore's paper but the *Pioneer* of Allahabad—while discussing the Resolution which the Government of India issued last month, said that it was all right for Government to pass these Resolutions for the better working of the Committee, but that it depended on whether the Committee members were willing to work, and the *Pioneer* opined that there was always a clash in these Committees. My experience in the Public Accounts Committee and in other Committees, even in the Select Committees, shows that there is seldom any clash between the non-officials and Government in fundamental matters whenever we examine the principles involved in a particular Bill or whenever we sit as members of a particular Committee. Of course in one particular matter we differ and that is with regard to constitutional questions, and for that one fundamental difference between us and the Government no paper worth its name has any right to condemn us and pass that kind of remark that there is constant clash in the Committee between us and Government ; and I do hope that, when my Honourable friend Sir George Schuster rises to reply, he will agree with what I have observed about the working of the Committees.

I may here observe that the Public Accounts Committee is assisted by the Auditor-General, who has got certain statutory powers given to him by the Government of India Act and he has certain special rights to approach direct the Secretary of State over the Government of India.

[Mr. B. Das.]

While he draws his pay from the Government of India, he has the power and privilege to criticise the action of the Government of India regarding finance and financial control and expenditure. My experience of the two Auditors-General, Sir Frederick Gauntlett, who retired last year in a blaze of glory, and Mr. Burdon, a friend of this House who was a Member here for four or five years, shows that the Auditor-General and his staff, the Chief Auditors and Accountants-General, are all anxious to see that the statutory rules which concede certain rights to the Legislature are not trodden upon by the Executive and every year the Auditor-General sits in the Public Accounts Committee and assists us to exercise our functions. Sir Frederick Gauntlett, before he retired, issued a book called the "Epitome of Reports from the Central Committee of Public Accounts, 1923-27 and of the Government orders thereon, with an index". He also issued a memorandum on the work of the Public Accounts Committees in India. Those Honourable Members who are interested in the finances of India ought to read these two books and they will know how the finances are controlled. The epitome of the Reports shows how the recommendations of the Public Accounts Committee have been given effect to by Government. It has been so far the practice of Government to issue a Resolution from the Finance Department about the action taken by Government every year, and at times matters have been referred to the Secretary of State, and the statutory rules have been amended. To cite an instance, I will refer to one particular case, which is given on pages 38-39 of the epitome, where the Public Accounts Committee suggested a certain change of rules regarding new services to the Government of India. The Government of India had to refer the case to the Secretary of State, because the Indian Legislative Rules under the Government of India Act cannot be amended by this House but can only be amended with the consent and agreement of the Secretary of State; and the Secretary of State, in the letter dated the 17th October, 1928, said:

"I am to inform you that the Secretary of State in Council has sanctioned the amendments proposed by the Government of India to sub-rule (1) of rule 50 of the Indian Legislative Rules and sub-rule (1) of rule 32 of the Provincial Legislative Council Rules."

So, Sir, a statutory committee appointed by this House made certain recommendations to the Government, and through the Government and the Auditor-General to the Secretary of State who rules us from England. You know, Sir, that we tried to amend certain rules in the Legislative Manual and that we have not succeeded; rather, those who were politically minded tried to get a certain extension of powers and privileges of this House, but it has gone the other way. But, Sir, in the matter of financial control, I think the Committee has reason to be proud of having achieved certain amendments. The House ought to know what those changes are. I read out from the Legislative Rules what power we have got in the Public Accounts Committee; we scrutinise the accounts and see that appropriations under heads are correct and that the Government do not exceed their powers; and within my experience, we have established one convention. The House knows that we have no right to criticise non-voted grants; but, be it said to the credit of the Chairmen of the Public Accounts Committee, both of whom were and are members of the Government of India, that they have conceded certain rights; and we at present enjoy the right of raising

questions of policy and principle over non-voted grants—not that we can reduce any such grant, but our effective criticism helps the Finance Department in reducing those grants or in modifying them. Last year's Report as well as the Report for 1926-27 contain certain draft rules, which might interest business men who are Members of this House, regarding purchases of stores for the Army and Railways and regarding contracts and they will find that contracts are now carried out under standard rules. We raised the question in the Committee and the Government of India agreed that certain general rules should be observed in these matters by every Department of the Government of India.

Then, as regards disciplinary action, we found that various Departments of the Government of India had various special rules about the disciplinary action that should be taken, and that while in certain Departments only the lowest ranks were punished, in other Departments the head of the Department was brought to book. We drew the attention of the Government to this, and suggested that disciplinary action should be uniform, and that officers responsible should be brought to book. The Government of India agreed to this ; and now, not only in the civil Departments, but also in the Military and in the Railways, over which my Honourable friends, Mr. Mackworth Young and Mr. Parsons preside, it has been agreed that disciplinary action should be taken against officers and departmental heads who are responsible and mere clerks should not be penalised.

Talking of the Army, this House knows that we have no control over the Army expenditure. I may also explain that the Committee does not go into the detailed appropriation accounts of the Army ; the Government of India appoints an *ad hoc* committee, over which the Finance Member presides, and which goes into detail and examines the accounts of the Army. I must pay a tribute to that Committee ; I have seen four or five Reports of that Committee, and I must say that they have done their work as thoroughly as the Members of the Public Accounts Committee do in regard to other subjects. The Report of the *ad hoc* Committee is presented to the Public Accounts Committee, and the Members of the latter Committee are at liberty to raise discussions on any decisions that might have been arrived at ; and although the Military Budget is non-voted, and we have no right at present to reduce it even by a rupee, still we control it through the *ad hoc* Committee. Therefore, Sir, when I ask this House to take a further interest in the Public Accounts Committee's Report, my object is that the Finance Member should give an opportunity to this House every year, before he introduces the General Budget, or even the Railway Budget, say in early February, to discuss the Report, so that thereby the Members of this House can have a vivid picture of what the Committee has done and how the finances of the country are controlled, and when we come to the Budget discussions on the Railway, Army and Civil Budgets, we can do better justice to those Budgets.

Another matter that I want to mention, Sir, is this : We, who work as Members of the Committee, want the other Members of this House to take some interest in our work. There is at present no co-ordination between the work there and the work of this House. At least that has been my experience for the last seven years. I know there are many Honourable Members here who are almost new to the House and who have come in only this day, and so they are not familiar with the work and I

[Mr. B. Das.]

am sorry that events in the country have led to that situation ; yet I think that every Member who wants to discharge his duties as a Member of the Assembly should take a keen interest in the Report of the Public Accounts Committee and offer effective criticisms wherever possible.

Sir, I do not want to go into the details of this Report. I have only indicated in what way the House should approach the matter ; and as regards how far we have succeeded in our work in the Committee I shall leave it to other Members to judge.

Maulvi Abdul Matin Chaudhury (Assam : Muhammadan) : Sir, in discussing this Report of the Public Accounts Committee, I want to draw the particular attention of this House to the financial position of the Posts and Telegraphs Department. Honourable Members are aware that in the year 1925-26 the accounts of the Posts and Telegraphs Department were commercialised and it was intended that the Department should pay its way and should not be a burden on the general tax-payer ; any surplus that the Department earned would go towards the reduction of its capital liability, the extension of postal facilities, the improvement of the service conditions of postal employees, and the reduction of postal rates. In the year 1927-28 the Department showed a profit of Rs. 4½ lakhs and it is within knowledge of Honourable Members that in the next year, 1928-29, there was a deficit of Rs. 54 lakhs. Now, Sir, the Postal Department is a monopoly ; the postal rates are fairly high, and I have no reason to believe that the Department is extravagant or inefficient ; why then this deficit ? (*An Honourable Member* : "Question.") That question is answered by the Report that is before us. It is due to certain circumstances over which the Postal Department has no control. When the Department was first commercialised, there were made certain arbitrary financial arrangements which are responsible for the present deficit. The Postal Department started under a heavy initial handicap. In fat prosperous years they could carry on somehow, but in lean years of trade depression, they find themselves in deep water through no fault of theirs. Another reason for this deficit is the extraordinary delay in the adjustment of certain inter-departmental claims which is affecting the postal finances very prejudicially. As a matter of fact, the Postal Department is being exploited by other Government Departments.

I shall illustrate, Sir, one by one. Take the Foreign and Political Department. On page 32 of the Report under the head "Adjustments between Posts and Telegraphs and other Departments", it is stated thus :

"The only important adjustment outstanding under this head is with Foreign and Political Department. This Department was asked to bear losses incurred by the Posts and Telegraphs Department on account of postal and telegraph facilities provided for purely political reasons. The principle that the Foreign and Political Department should bear such losses has been accepted and only certain details have to be worked out. It is expected that the case will be settled soon. According to present calculations, the liability of the Foreign and Political Department is assessed by the Posts and Telegraphs Department at Rs. 2,85,000."

Now, I may inform the House that this has not been settled yet.

Now, Sir, on the question of delaying payments of postal claims, the Railways are the worst offenders. I do not see my Honourable friend

Mr. Parsons here, but his Department is raising an interminable series of objections and counter-claims, and for the last five years they have been carrying on discussion without arriving at any decision. Last year, Sir, the Committee felt constrained to make the following observations :

“ The total amount involved is now estimated at about 12 lakhs. The Committee desired to record that the settlement of the item should be expedited as the commercial results of the working of the Department could not be ascertained accurately till this and the other outstanding questions regarding adjustments were settled.”

Then, Sir, there is the question of provincial contributions. Last year the Postal Department paid 48 lakhs to the Provincial Governments. Under the Indian Stamp Act, the postage stamps of half anna, one anna and two annas and four annas denominations may be utilised for the purposes of stamp duty ; and these 48 lakhs of provincial contribution is the amount paid as a lump sum in respect of these stamps. Now, Sir, these 48 lakhs represent 1/16th of the total revenue earned by the Post Office by the sale of postal stationery. It is, Sir, absurd to suggest that, out of the enormous volume of cards, envelopes and postage stamps sold for ordinary purposes, and for registration and insurance, 1/16th is utilised for the purpose of stamp duty. As a matter of fact, from the year 1906 to 1924 this contribution was fixed at 19 lakhs of rupees. In the year 1925-26 it was raised at once to 47 lakhs. I would ask Honourable Members to take a note of that date. It was just on the eve of the commercialisation of the Department that they were saddled with this heavy burden. I think, Sir, on an equitable distribution, this amount ought to be reduced at least by 20 lakhs.

Then, again, Sir, the Postal Department is made to give a free gift of postage stamps to the Indian States worth about Rs. 10 lakhs. If for certain political considerations this gift is to continue, surely the Foreign and Political Department should pay for it and not a commercial Department like the Postal and Telegraph Department.

Then, again, with regard to the Depreciation Fund, the Postal Department is required to pay a very high amount towards the Depreciation Fund, as compared with their actual expenditure on renewal and replacement. I shall give the House a few figures to illustrate my point. In the year 1925-26, the contribution to the Depreciation Fund was thirty-one lakhs, and the actual expenditure on renewal and replacement was 10 lakhs. In 1926-27, the contribution was to be 30 lakhs and the actual expenditure 8 lakhs ; and in 1927-28, the contribution was to be 52 lakhs and the actual expenditure 8 lakhs. It is quite evident from this that the life assigned to the capital assets of the Postal Department has been too short and the rate of contribution too high. The Post and Telegraph Department, Sir, submitted a memorandum to the Committee on this question, and I should like to read an extract from it for the information of the House :

“ It may first be pointed out that there is now fairly conclusive evidence in support of the general impression that the lives assigned to the capital assets of the Posts and Telegraphs Department for the purpose of regulating contributions to the Depreciation Fund are, in the case of some of the more important assets, too short. It has been ascertained that more than half the total iron wire included in the assets of the department on 1st April, 1925, had lasted its full prescribed life by 1926. The original value of this time-expired wire was approximately Rs. 289 lakhs whereas the total expenditure on renewals and replacements of iron wire during the four years 1925-26 to 1928-29 amounted to only about Rs. 9½ lakhs. It is therefore clear that the bulk of this

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iron wire is still in use and likely to remain so for many years to come. In the case of posts, approximately two-thirds of the total number in use (original value Rs. 429 lakhs) will have lasted their prescribed life in 1931. The actual expenditure on renewals and replacements of posts during the same four years is 8½ lakhs and there is no doubt that these posts will not have to be fully replaced for a great many years.

The corresponding figures for copper wire are as follows :

	Rs.
Original value of wire that has just become time-expired ..	35½ lakhs.
Actual expenditure on renewals and replacements during the last 4 years 1925-26 to 1928-29	3½ lakhs.

The bulk of this copper wire is still in excellent condition and will not need replacement in the near future.

These facts seem to establish beyond doubt the inadequacy of the 'lives' at present assigned to posts and lines, which constitute in value more than two-thirds of the total wasting assets of the department. The figures in the statement referred to in paragraph 4 of this note also afford strong confirmation of this conclusion."

I think, Sir, we shall be on very safe ground if we reduce our contribution to the Depreciation Fund by Rs. 15 lakhs.

Now, Sir, to sum up the whole situation, if we get Rs. 2 lakhs and 85 thousand from the Foreign and Political Department, and if we realise Rs. 12 lakhs from the Railways and Canals, if the provincial contribution is reduced by 20 lakhs, and if the Postal Department gets credit for the Rs. 10 lakhs worth of free postage stamps which are now given as a free gift to Indian States, and if the Depreciation Fund is reduced by 15 lakhs, we shall have an additional sum of 60 lakhs in the postal exchequer, and this sum, together with the 20 lakhs normal growth of revenue, will not only be quite enough to wipe out the deficit and restore equilibrium, but it will also make provision for the reduction of postal rates. Sir, I refer to all these figures, because we understood in the Public Accounts Committee that the Postal Department, forced by the exigencies of the circumstances, were contemplating an increase the postal rates. I maintain, Sir, there is no justification for it, and the situation can be met without any increase of the postal rates, and if any attempt is made by the Postal Department in that direction, that ought to be strongly resisted by this House.

Mr. W. S. Lamb (Burma : European) : Sir, with your permission I should like to make a few remarks concerning systems of accounts generally. I have been assured by the Honourable the Finance Member that so long I make intelligent remarks he would have no objection. (Laughter.)

To illustrate the point with which I am particularly concerned, with your permission and that of the House, I should like to quote from the Report of the Public Accounts Committee on the Accounts of 1924-25. At page 14 of that Report there is this :

"There is, however, some danger that enthusiasm for regularity in accounting will prove to have been pushed too far at the expense of efficient administration if care is not taken to see, particularly in relation to commercialised departments, that improved systems of accounting do not throw an undue strain on the executive of such departments to the detriment of their proper functions, and that the executive are provided with the right sort of financial assistance and advice."

Now, Sir, when as a new Member of the Assembly I read those remarks, it appeared to me that the Public Accounts Committee had laid

upon themselves the duty of ascertaining, in the coming years, whether the fears they expressed in the Report, which I have quoted, were justified, and if at all they were justified, that they would come to the House and make recommendations and suggestions. Now, I looked forward with interest to see the Report of the following year. I wondered whether I could see a similar humanitarian spirit exhibited. In neither the Report for 1925-26 nor the one before us now is there any mention, any remark whatever, concerning this question which they themselves raised in 1924-25. Now, it is probable—certain in fact—that in allowing such comments to be made, there must have been a great deal said about the employees whose duty it is to deal with these highly refined and complicated accounts. But, as I have said, we have nothing. My Honourable friend, Mr. Neogy, who is not in the House at the moment, has been constantly on the Public Accounts Committee, and he might tell us why the Public Accounts Committee failed to follow up the remarks or recommendations of its predecessor and consider whether those fears were justified. In the same Report, you will find :

“ . . . some of the cases which we have dealt with in regard to the Posts and Telegraphs Department suggest that the rules regarding control of expenditure may in some cases be beyond the present capacity of the staff which is called upon to apply those rules.”

Since mention is made of the Posts and Telegraphs Department, I may be permitted to make a few remarks. In this very Report of 1924-25, there is a note describing the new account system which was then adopted. It appears to me that sufficient time has elapsed to enable the Public Accounts Committee to hear evidence and to judge whether this account system of the Posts and Telegraphs does or does not, in its own words, “interfere with the efficiency of the department”. I have talked with men, with officials, not only in Burma, but in other provinces, who have had to deal with those accounts, and I have been told that, particularly on the engineering side, the men who have to administer these accounts are compelled to spend hours attending to them instead of to their own jobs. The result is that men, technical men, engineers, who should be touring and looking after the many telegraph lines, in Burma for instance, are not able to attend to such duties because of the nature of these accounts. I hear everywhere that employees of Government have, what is called, vulgarly, to “sweat blood” in avoiding audit objection, and I suggest that this question is eminently one for the consideration of the Public Accounts Committee, even more so than it was in 1924-25, and I hope that the Honourable the Finance Member will afford the next Public Accounts Committee an opportunity of examining those who are called upon to deal with accounts, particularly of the kind to which I have referred.

The Honourable Sir George Schuster (Finance Member) : Sir, the subject which is before the House for discussion to-day—and the mere fact that we are having this discussion, I think, is a matter of some interest—has a long history behind it. During these last years, the idea of having the Report of the Public Accounts Committee discussed by this House has been brought up from time to time, and now at last this event, to which many Members, or Honourable gentlemen, who have been Members of this House in the past, have looked forward, has come about. I think all Honourable Members will agree with me that it is

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perhaps unfortunate that we should have come to this discussion at a time when interest is largely centered on other matters, and, of course, we are in a particular difficulty now because the motion is already very much behind time. It should have been taken up in the last Delhi Session. It had to be postponed then because time could not be found, and now here we are in the latter part of 1930 discussing the Report on the Accounts of 1927-28. Therefore, our discussion is to a great extent out of date.

Nevertheless I confess myself that I am very glad that this occasion has been reached, and I find that even the debate to which we have listened to-day contains elements of considerable value. I should like to show what I mean by dealing with the three speeches which we have heard. My Honourable friend Mr. B. Das, who very appropriately was the first speaker on this occasion—I say, appropriately, because this House knows what a great and continuous interest he has always taken in the affairs of the Public Accounts Committee—my Honourable friend Mr. B. Das dealt generally with the functions of the Committee, and he struck a note which I should like to repeat and to emphasise. He wished to bring to the notice of the House the great importance of the work which this Committee does. I strongly endorse all that he said on that matter, and if the result of this debate is no greater than to cause some Honourable Members to call for their copies of the Public Accounts Committee's Reports and have a look at them and see what subjects are dealt with in those Reports—if it has achieved no further purpose than that, I think this debate will have been of value. My Honourable friend Mr. Das, at the outset of his speech, referred to a comment in a recent issue of a prominent newspaper which, dealing with the Government's Resolution on the Report which is now before us, made the remark that all these good intentions would work well, provided they were worked in a proper spirit, and provided there was no clash between the Government and the members of the Committee. I should like to associate myself with what my Honourable friend said when he deprecated the suggestion that there was any clash between the Chairman, representing the Government and the members of the Committee. I can say for myself that I have received the most whole-hearted co-operation from the Committee. They have been very helpful to me at all times, and I regard the Public Accounts Committee, just as I do the Standing Finance Committee, as a most valuable assistance to the Finance Member. I think it is important at this stage, when we stand on the threshold of a review of the constitution—and let me say on the threshold of, as we all hope, a considerable constitutional advance towards responsibility—that the public,—if they pay attention to the debates of this House—and this House itself should realise what an important function those two Committees perform. In the Standing Finance Committee and in the Public Accounts Committee the public have instruments which give them the power to exercise a very considerable control of expenditure. In the Standing Finance Committee they can check items proposed for expenditure before the money is spent. In the Public Accounts Committee they can check how the money has been spent and to what extent the public has benefited from the expenditure. The more the constitution advances towards responsibility, the more important do those

Committees become, and I hope that those of us who have worked in the early days on those Committees can feel that we have at least done some public service in starting a good tradition—a tradition of thoroughness, impartiality and a desire to search to the bottom all important affairs, which will stand the country in good stead in the future. Mr. Das referred to the fact that the Committee was able to examine matters affecting the non-voted Demands. That, I think, gives them a particularly important opportunity, and I think Mr. Das will acknowledge that we have always done our best to enable members of the Committee to follow up what are really matters of public interest, even in connection with the non-voted subjects. He also referred to another sphere of the Committee's work, their influence on the discipline of the service, in the sense that they were able to call attention to points where disciplinary action was called for, and to ascertain whether the proper disciplinary action had been taken. That is an aspect of the matter in which you, Sir, as a member of the Committee, have always shown a particular interest, and I venture to think that the interest shown by the Committee may be felt throughout the whole service. It will be valuable if that interest should continue, and as I have said before, the more we move to responsible government, the more valuable does that become.

I should like myself to refer to a third special feature in the duties of the Committee which my Honourable friend did not touch upon. When I say duties, I perhaps use too strong a word. I should perhaps say opportunities. We have endeavoured, particularly in the last two years, to devote our attention to the working results of the commercial concerns in which the Government are interested, and, as a result of the recommendations recorded by the Committee last year, we have been able to get before us this year a new volume in the form of an appendix on the working of commercial concerns which, although it is only the first start in the direction in which we want to advance, has shown us, I think, that we have started on a line which will be of very great value to the public. I think that this is a new feature in the work of the Public Works Committee and possibly also a new feature in the work of Public Accounts Committees generally. The Government of India are enormously interested in commercial concerns, far more so than any ordinary government is. The State Railways of the Government of India represent, I should imagine, the largest single State-controlled concern in the world. Then there is the Posts and Telegraphs Department, to which reference has already been made. That perhaps is a more normal feature of Government activities; but apart from that, there is a mass of commercial concerns in which the Government are the sole shareholder—dairy farms, ordnance factories, printing presses and such like—and if any one chooses to read that appendix to which I have referred he will see what an important amount of capital is invested in commercial concerns in which Government is the sole shareholder. Now, I have felt that the Public Accounts Committee affords a piece of constitutional machinery which can review the working of those concerns, and in order to enable that review to be intelligently conducted I have made a great endeavour to get the accounts presented in a way which is easily intelligible to any member of the public who understands a balance sheet, and, as a shareholder himself perhaps in some private company, knows how to check whether such a concern is going badly or well. That is a feature which, as I say, I hope to see greatly developed.

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in the future, and it is a feature of the work of the Public Accounts Committee to which I hope members of future Committees will continue to pay attention and which I hope every Member of this House or the successors of this House in the future will watch. Because the greatest danger of State undertakings is that they lack that spur to efficiency which the competitive element in private enterprise provides, and, in the case of State undertakings, we have to provide some substitute for that spur to efficiency. I think the vigilant interest of the representatives of the public in the results of commercial undertakings is what is wanted in order to provide that spur. If you want to see that Government's commercial concerns are properly managed, it is in your power to do it, provided that a proper chance of examining the results is put before you, and that chance, I hope, the inquiries of the Public Accounts Committee have provided for you and will provide in the future.

Then, Sir, turning to what was said by my Honourable friend, Maulvi

1 P.M.

Abdul Matin Chaudhury—to whom again I should like to pay my tribute of appreciation for the value of his work on the Committee—he referred particularly to the position of the Posts and Telegraphs Department. Now in the normal course I should have asked my Honourable colleague, the Member for Industries and Labour, to reply on some of the points that were raised, but as the House is aware, my Honourable colleague has only just assumed his duties, and he and I have been in discussion on a great many of these points, and I know that as soon as he is able to do so in the pressure of other affairs, he is going to give his attention to those matters and I hope that we shall have an opportunity to discuss them together. I recognize the fact that the Public Accounts Committee, in their Report last year, recommended the appointment of a special expert committee to examine those questions of the adequacy of the depreciation allowance and other matters, such as were referred to by my Honourable friend in his speech. It is perhaps a matter for which some apology is owed to this House that no steps have been taken in the way of starting such a committee. But that is one of the points which I hope very shortly to be able to discuss with my Honourable colleague, and I think I can say that the necessary action will be taken without undue delay. That being the position, I do not think that it would be suitable for me to attempt any detailed reply to what my Honourable friend said on those particular points. I should only like to say this, that at present I could not, speaking as a financier and as one responsible for the finances of the Government, accept his view that the provision made every year for depreciation is excessive. But I am quite prepared to say that there is a case for investigation, and as the commercial basis of the Posts and Telegraphs Department has now been in operation for several years, it is a quite reasonable suggestion that the scale of the depreciation allowance should now be reconsidered in the light of actual experience.

Then coming to what was said by my Honourable friend, Mr. Lamb, I was very glad to see from his speech that, not only had he read the Report on the accounts for 1927-28, but he also had gone back through the Reports to the year 1924-25. That evidence of his study of the past work of the Public Accounts Committee is certainly, holding the views I do, very pleasing to me, and I must say I am grateful to him for having called attention to that paragraph in one of the Committee's earlier Reports. It is

indeed a most important matter—the question of whether in our desire for accurate accounting we exceed the limits of what is commercially reasonable, so as actually to interfere with the executive direction of Departments. I think that is always a danger to guard against, and it is a danger to which a Public Accounts Committee, seeing that its whole duty lies with accounts, is perhaps particularly susceptible. Therefore, it is very useful to us to have the common sense outside point of view brought forward and to be reminded that we must not press for such elaboration in accounting as will be beyond the limits of what is commercially reasonable. I am glad to have had this particular kind of comment, because I think it shows in what way this sort of general discussion can be of value. My Honourable friend, Mr. Das, indicated that if interest was shown by Honourable Members of the Assembly in any particular point arising out of the accounts, it would be the particular duty of Government to follow that point up and to see that it was considered by the Public Accounts Committee in the succeeding year. I think that is a reasonable way of dealing with the matter, and it shows the sort of way in which a discussion in the Assembly can be of value ; and the point made by my Honourable friend, Mr. Lamb, is a case of such a suggestion of which we shall certainly make a note, and see that it comes before the Public Accounts Committee next year.

That, Sir, is all that I feel disposed to say in relation to the matters which have been raised in this debate. I may, before closing, make some reference to the recommendation in the Report of the Committee which we are now considering,—paragraph 30 of that Report where it deals with the procedure to be followed in this discussion. As my Honourable friend, Mr. Das, pointed out, we considered various alternative forms of procedure, and while we rejected one, we were left with two alternatives, and between them we did not wish to express a decided opinion. The only decided and unanimous opinion expressed was that it was desirable to avoid fixing any procedure without ascertaining the views of the Assembly. Well, I think we can hardly say—although, as I have already remarked, I consider that the present debate has been of definite value—that on the present occasion we have had a representative expression of the views of the Assembly as to how this debate should be conducted in future ; and therefore I think we must regard to-day's discussion as an experiment—an experiment which has proved to be of value and an experiment which I hope will be repeated in the next Delhi Session—and that our idea and intention must be to allow an established procedure to grow up according to what is shown by practical experience to be the right form of procedure. I am convinced myself that these general discussions on the Report of the Public Accounts Committee will be of value, and even if they do not lead to any definite recommendation or definite Resolution, I think the opportunity which is afforded for calling attention to points of public interest is one which ought to be taken, and that it will be well worth while for this Assembly always to devote a day for that purpose. The net result is that we have had this discussion and that the recommendation of the Public Accounts Committee, made in paragraph 30 of their Report, stands, that a similar motion will be moved at the next Delhi Session, and that if in the course of the debate on that motion any further suggestions are made, those will be taken into account by the Government, and in that way I hope we shall advance step by step towards the formulation of a definite procedure. I have only one thing to say in conclusion and that is to repeat, with all the emphasis I can

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command, my opinion that the work of the Public Accounts Committee is of the greatest importance and that their annual Reports deserve the careful study of every Member of this Assembly.

Mr. Deputy President : I would like to inform the House that, accepting the recommendations of the Public Accounts Committee, the Honourable Mr. V. J. Patel, in consultation with the Honourable the Finance Member, had decided that there would be no vote on this motion before the House. It was decided that the House would be given an opportunity to have a general discussion on the Report of the Public Accounts Committee. Therefore no question will be put to the House on the Report.

Before the House is adjourned, I would also like to remind Honourable Members that nomination papers for the election of the President of the Assembly will be received by the Secretary of the Legislative Assembly Department till to-morrow at twelve of the clock. This Assembly now stands adjourned till Wednesday morning, Eleven of the Clock.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 9th July, 1930.