

Tuesday, 17th September, 1935

THE
COUNCIL OF STATE DEBATES

VOLUME II, 1935

(16th to 28th September, 1935)

TENTH SESSION

OF THE

THIRD COUNCIL OF STATE, 1935

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COUNCIL OF STATE.

Tuesday, 17th September, 1935.

The Council met in the Council Chamber at Viceregal Lodge at Eleven of the Clock, the Honourable the President (the Honourable Sir Maneckji Dadabhoy, K.C.I.E., Kt., Bar.-at-Law) in the Chair.

MEMBERS SWORN :

- The Honourable Mr. Tennant Sloan, C.I.E. (Home Secretary).
The Honourable Mr. Ram Chandra, C.I.E., M.B.E. (Government of India : Nominated Official).
The Honourable Sir Maurice Brayshay, Kt. (Chief Commissioner of Railways).
The Honourable Mr. P. Macqueen (Madras : Nominated Official).
The Honourable Mr. T. M. Dow (Bengal : Nominated Official).
The Honourable Khan Bahadur Shams-ud-Din Haidar, O.B.E. (Bihar and Orissa : Nominated Non-Official).
The Honourable Mr. R. H. Parker (Bombay Chamber of Commerce).
The Honourable Mr. G. R. Campbell (Bengal Chamber of Commerce).
The Honourable Khan Bahadur Shaikh Maqbul Husain, C.I.E. (United Provinces : Nominated Non-Official).
The Honourable Maharaja Jagadish Nath Ray of Dinajpur (Bengal : Nominated Non-Official).

QUESTIONS AND ANSWERS.

TANGI-TANGAIL-SINGJANI RAILWAY.

1. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
- (i) Will Government be pleased to state how many memorials have been received by Government from the public since 1920 on the subject of the opening of the Tangi-Tangail-Singjani Railway ?
- (ii) Is it a fact that in 1925, the Government of Bengal gave the said project as the first preference for railway construction in Bengal ?
- (iii) Will Government be pleased to state whether any steps have yet been taken to open up the line ?
- (iv) Will Government be pleased to state whether any surveying of the project was ever made and, if so, will they be pleased to lay a copy of such survey report on the table of the House ? If not, why not ?

(v) If no survey was ever made, will they be pleased to state the reasons ?

(vi) Has the attention of Government been drawn to the article headed "Railways in the Tangail sub-division" published in *Advance*, dated the 24th March, 1935.

(vii) If so, will Government be pleased to state what action it has taken in regard to the said railway project ?

(viii) Will Government be pleased to state the reasons for constructing a metalled road from the Road Fund instead of opening that part of the country by a railway project ?

THE HONOURABLE SIR MAURICE BRAYSHAY : (i) Several representations have been received.

(ii) Yes.

(iii) Investigations have been made. Further action depends on the report of the Public Health Committee appointed by the Bengal Government last year.

(iv) A survey was made a long time ago but is probably out of date at present ; but if my Honourable friend desires, I can lend him a copy of it.

(v) Does not arise.

(vi) Yes.

(vii) No action can be taken until the Government of India have received the views of the Bengal Government on the subject.

(viii) No metalled road has been constructed from the Central Road Fund on the alignment of the projected railway. If the Honourable Member refers to the Mymensingh-Tangail road, this does not appear to be an alternative to the Tangi-Tangail-Singjani Railway.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : When will the report from the Government of Bengal come to light ?

THE HONOURABLE SIR MAURICE BRAYSHAY : I am afraid I cannot say. It will depend on the Government of Bengal.

SALE OF QUININE.

2. THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY : Will Government be pleased to state :

(a) The present position of the stocks of quinine ?

(b) Whether the same have been reduced by sale to any foreign agency ?

(c) Whether Provincial Governments have purchased larger quantities than hitherto : if so, to what extent ? and

(d) Whether they were offered any special inducements to acquire larger quantities ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) and (b). A statement giving the information required is laid on the table.

(c) The answer to the first part is in the negative. The second part does not arise.

(d) In 1932, Local Governments were offered supplies of quinine, in addition to their normal annual requirements at a price lower than the cost of production so that they might be enabled to extend "quininisation" of the people at a smaller cost than would be incurred if these additional requirements were obtained at current prices. This scheme fell through mainly because Local Governments found themselves unable to buy the entire surplus stock with sufficient rapidity even at the reduced prices.

Statement giving the information required in parts (a) and (b) of question No. 2.

(a) The stock of quinine belonging to the Government of India on 30th June, 1935 amounted to 229,133 lbs. This includes the reserve of 150,000 lbs. which is maintained to meet national emergencies. Out of the surplus of 79,133 lbs. left after deducting this reserve, it has been decided to give away 45,000 lbs. free to Local Governments for distribution.

(b) About 10,000 lbs. of quinine were sold to the Government of Ceylon in December last in order to meet a severe epidemic of malaria there. About 5,000 lbs. have been sold to a firm of chemists in London.

IMPORTS OF QUININE.

3. THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY : Will Government be pleased to state what quantity of quinine in various shapes—powder, tablets, injections, etc.—was imported into India by traders during 1930-31 to 1933-34 and its value ?

THE HONOURABLE MR. T. A. STEWART : The Honourable Member is referred to pages 93—95 of Volume I of the Annual Statement of the Sea-borne Trade of British India for the year ending 31st March, 1934, which contain all the information that is available. A copy of the Statement is in the Library of the Legislature.

PRODUCTION OF TOTAQUINA.

4. THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY : Do Government propose to encourage the production of totaquina to provide the masses with a cheaper substitute for quinine ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : Totaquina is already being manufactured at the Government factories in Madras and Bengal.

UNDESIRABILITY OF FREQUENT CHANGES IN THE NOMINATED PERSONNEL OF THE MEDICAL COUNCIL OF INDIA.

5. THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY : Have Government considered the desirability of arranging that frequent changes in the nominated personnel of the Medical Council of India are reduced to a minimum in order to ensure continuity of policy, and the possibility of nominating such officials as are likely to serve on the Council for at least two years, if not longer ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : Government do not consider that any action in the direction suggested by the Honourable Member is necessary. So far as nominations by the Governor General in Council are concerned, there has been no change since the Council was constituted. As regards nominated members from provinces full discretion rests with Local

Governments and the changes that have occurred were unavoidable and were not such as could be considered to have affected continuity of the Council's policy.

THE HONOURABLE MR. P. N. SAPRU : What is the period of nomination in the case of a nominated member ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : I should think it is a year, but I am not sure.

THE HONOURABLE MR. P. N. SAPRU : And the period of the Council ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : I think it is four years.

KALKA-SIMLA SECTION, NORTH WESTERN RAILWAY.

6. THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY : Will Government be pleased to state whether any loss is incurred in the working of the Kalka-Simla section of the North Western Railway through competition with motor traffic ? Have any steps been taken to consider this matter ?

THE HONOURABLE SIR MAURICE BRAYSHAY : The reply to both parts of the question is in the affirmative. In order to meet this competition, passenger fares were reduced in 1927, 1928, 1929 and 1933. Although there was an increase in the number of passengers in each of these years the increase was not sufficient to counterbalance the loss consequent on the reduction in fares. Special rates for both parcels and goods traffic have also been introduced in order to prevent the diversion of traffic from the railway to the road.

THE HONOURABLE MR. HOSSAIN IMAM : Is it a fact that the mails are being carried by road motors and not by rail ?

THE HONOURABLE SIR MAURICE BRAYSHAY : Some of the mails are carried by road and I believe some are carried by rail.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member state why the road motors have been preferred to rail ?

THE HONOURABLE THE PRESIDENT : That is a matter of opinion.

THE HONOURABLE MR. HOSSAIN IMAM : I want to know whether they are cheaper or whether the Post Office prefer them ?

THE HONOURABLE THE PRESIDENT : That is quite a different question.

THE HONOURABLE SIR MAURICE BRAYSHAY : If the Honourable Member would give me notice of that, I will give him the information.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER : May I know the working results of the rail motor—whether it is working at a loss ?

THE HONOURABLE SIR MAURICE BRAYSHAY : I am sorry I have not got the figures available with me now. If the Honourable Member desires, I will attempt to get them.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER : Yes, Sir.

THE HONOURABLE MR. P. N. SAPRU : Have Government considered the desirability of controlling the motor traffic by legislation ?

THE HONOURABLE SIR MAURICE BRAYSHAY : I am sorry I cannot give a reply to that question.

SUBJECTS PRESCRIBED FOR PRIMARY EDUCATION.

7. THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY : Will Government be pleased to state what subjects of instruction to pupils are included in the term *primary education*, whether compulsory or optional ? Is it intended that primary education should include provision for hand spinning, manual training, gymkhanas, scouting, music, libraries, manufacture of articles for domestic use, etc., etc. What age limit has been fixed for primary education for boys and girls ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : Education is mainly the concern of Provincial Governments, and the Government of India regret that they have not got complete information about the subjects prescribed by them for primary education. The prescribed age limits under the various Primary Education Acts vary between 6 to 10 and 6 to 14.

WASTE OF PUBLIC FUNDS ON COMPULSORY PRIMARY EDUCATION.

8. THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY : Will Government be pleased to state whether it is a fact that there is considerable waste of public funds through the inability of the pupils attending compulsory primary education schools to go through the four requisite standards before they can be considered literate ? Is it also a fact that only 18 per cent. of pupils go up to standard II, and about 3-4 per cent. to standards III and IV, and the rest relapse into illiteracy ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : The matter being mainly a question for Provincial Governments, the Government of India do not possess anything like complete information. But an examination of the figures in one province indicates that in that province about 22 per cent. reach standard II, 10 per cent. reach standard III and 5 per cent. reach standard IV. The figures cannot, however, be taken as typical as such figures vary from area to area and province to province.

TRANSFER OF 100 BRITISH SERVICE OFFICERS TO THE INDIAN ARMY.

9. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Will Government be pleased to state the reasons which led to the recruitment of 100 British officers to meet the shortage in the Indian Army of officers, who were recruited between the years 1921 and 1930 ?

(b) Were Indian officers not available by promotion ?

(c) Is it a fact that this was done for the sake of providing better emoluments for the British officers ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : (a) Owing to over recruitment during the war, and under-recruitment in the years immediately succeeding it, it recently became necessary, in order to maintain the proper proportion of officers in the different ranks to eliminate from the Indian Army

a large number of senior officers, and to take on 100 less senior. It is for this latter reason that it was recently decided to revive the practice, which had been held in abeyance for a few years, of allowing transfers from the British Service, and invite applications from officers of the required seniority.

(b) No. Accelerated promotion of junior Indian officers, even if it were desirable, would not achieve the desired object of adjusting the number of officers commissioned in the various years to the proper proportions.

(c) Certainly not. It was done in the interests of the Indian Army.

DIVISIONAL SUPERINTENDENT, MORADABAD, EAST INDIAN RAILWAY.

10. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : (a) Is it a fact that the Divisional Superintendent, East Indian Railway at Moradabad invited applications for posts of ticket collectors from Europeans, Anglo-Indians and Indian Christians only ?

(b) If the answer to part (a) is in the affirmative, why were Hindus, Muhammadans, Sikhs and Parsis excluded ?

(c) Do Government propose to issue orders that no sectarian differentiation should be made in inviting applications or making appointments in the railway departments ?

THE HONOURABLE SIR MAURICE BRAYSHAY : (a) The reply is in the affirmative. The Agent, East Indian Railway, has however since reported that Indian Christians were included in the advertisement through a misapprehension.

(b) As the vacancies were reserved for members of the Anglo-Indian and Domiciled European community, it was not necessary to invite applications from other communities.

(c) No. I would invite the Honourable Member's attention to the orders regarding the representation of Muslims and other minority communities in Government service, copies of which are in the Library of the House.

THE HONOURABLE MR. HOSSAIN IMAM : Was any rule passed about the railways specifically as to what the proportion will be, division by division, of recruitment for each community ?

THE HONOURABLE SIR MAURICE BRAYSHAY : Orders specifically for each division were not given by the Government of India, but such arrangements would of course have to be made by the individual railways.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Honourable Member have the copies of such orders placed in the Library of the House ?

THE HONOURABLE SIR MAURICE BRAYSHAY : Is not that covered by the last part of my answer ?

THE HONOURABLE MR. HOSSAIN IMAM : That is a general statement. We want division by division the orders of the railways concerned for each division to be placed in the Library of the House.

THE HONOURABLE SIR MAURICE BRAYSHAY : I will look into that.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : May I know if any definite proportion is fixed for Anglo-Indians and Christians in the Railway Department ?

THE HONOURABLE SIR MAURICE BRAYSHAY: For Anglo-Indians there is a reservation. For other minority communities there is a general reservation to redress inequalities.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: May I know what that proportion is?

THE HONOURABLE SIR MAURICE BRAYSHAY: The proportion for Anglo-Indians varies with the different railways. For railways as a whole I think it is 8 per cent. For minority communities there is a general provision which I think is $8\frac{1}{2}$ per cent., but that is a general provision and not specific for each railway.

THE HONOURABLE MR. P. N. SAPRU: What is the total population of the Anglo-Indian community in India?

THE HONOURABLE THE PRESIDENT: That does not arise out of this question.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: May I know if these vacancies occurred among the Anglo-Indians and therefore notice was given for them only?

THE HONOURABLE THE PRESIDENT: Your question is not very intelligible. Will you please put it in proper order?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: May I know if these vacancies occurred among Anglo-Indians on account of which the Department wished to recruit only Anglo-Indians and not other sections or communities?

THE HONOURABLE SIR MAURICE BRAYSHAY: The recruitment in question was to fill vacancies in accordance with the regulations laid down by Government.

ZANZIBAR DECREES.

11. THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Will Government make a statement on the final settlement reached with reference to the Decrees passed by the Zanzibar Government?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: The general question is still the subject of discussion between the Secretary of State for India and the Secretary of State for the Colonies. Meanwhile, I have the authority of the Secretary of State for the Colonies for announcing that if any specific cases of hardship alleged to have resulted from the operation of the Cloves Decrees are brought locally to the notice of the Government of Zanzibar, they will be most carefully investigated by that Government and if necessary, brought to the notice of the Secretary of State for the Colonies.

APPLICATION FROM THE MUNICIPAL COMMISSIONER, BOMBAY, TO PURCHASE QUININE FROM THE SURPLUS STOCK OF THE GOVERNMENT OF INDIA.

12. THE HONOURABLE KHAN BAHADUR DR. SIR NASARVANJI CHOKSY: Will Government be pleased to state:

(a) Whether they have received an application from the Municipal Commissioner of the City of Bombay to purchase quinine from the surplus stock of

the Government of India for the use of hospitals and dispensaries maintained by the Municipal Corporation of Bombay ?

(b) Whether it is a fact that the Municipal Commissioner has been unable to find out the department or officer concerned with the disposal of quinine in spite of his correspondence with the Officer in charge, Medical Stores, Bombay, the Surgeon General with the Government of Bombay, the Director General, Indian Medical Service, Director, Botanical Survey of India, Superintendent, Penitentiary Jail and Superintendent of Prisons, Madras ?

(c) What steps are Government taking to afford facilities to local bodies to acquire quinine from the surplus stock at rates cheaper than Rs. 18 per lb. ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: (a) No.

(b) Government are informed that enquiries were made by the Municipal Commissioner, City of Bombay. Through some misunderstanding he was referred to the Government of Madras who ordinarily supply the requirements of the Government of Bombay and local bodies in the presidency. Government are now taking steps to ascertain the requirements of the Municipal Commissioner and, on receipt of the information, will consider whether these can be met from their surplus stock.

(c) As the Honourable Member is probably aware, local bodies to the extent that they draw their requirements from Government sources of supply, do so from the Government to whose area of distribution they belong. A statement showing the areas of distribution is laid on the table. The Government of India cannot give a general undertaking to sell quinine from their surplus stock to all local bodies but specific proposals for bulk supplies over and above their average requirements will be considered on their merits.

Areas allotted to the Government of India, Government of Bengal and the Government of Madras, respectively, for the distribution of quinine.

(a) *Government of India.*—Punjab, with its States, the United Provinces, Rajputana North-West Frontier Province, Baluchistan, Delhi and the State of Gwalior.

(b) *Government of Bengal.*—Bengal, Bihar and Orissa, Assam and the Indian States within their limits.

(c) *Government of Madras.*—The rest of India, including Indian States.

IMPORTS OF FENTS FROM JAPAN.

13. THE HONOURABLE MR. V. V. KALIKAR: Will the Government be pleased to state :

(a) Whether they have received a letter from Mr. J. K. Mehta, the Secretary of the Indian Merchants' Chamber regarding the import of artificial silk fents from Japan into India ?

(b) Whether it is a fact that there has been an enormous increase in the import of Japanese artificial silk fents during the last three years ?

(c) Whether it is a fact that the import of fents into British India from Japan amounted only to 30,000 yards in 1930 while the imports in 1934 and 1935 have gone up to 2,50,00,000 and 1,75,00,000 yards ?

(d) Whether it is a fact that the bulk of the goods imported from Japan under the designation of fents are really artificial silk goods and artificial silk mixtures ?

(c) Do Government propose to take immediate steps to check the import of these so-called fents and to lay down restrictions so that no attempts may be made to dump fents into India? If not, why not?

THE HONOURABLE MR. T. A. STEWART: (a) Yes.

(b) No separate figures of imports of artificial silk fents are maintained and no estimate of the extent of the increase is possible.

(c) The figures given by the Honourable Member do not agree with those recorded in the Sea-borne Trade Accounts. A statement showing the imports from Japan as recorded therein is laid on the table.

(d) No. The bulk of the fents imported from Japan consist of cotton fents. As for the rest there is no reason to believe that they are for the main part artificial silk piecegoods rather than genuine fents.

(e) The question of the tariff treatment of fents is under consideration.

Statement showing the imports of fents of all descriptions from Japan into British India.

Imports during calendar years—

| Year | Imports | Yards. |
|-------------------------------------|---------|---|
| 1930 | | *Not recorded separately in calendar year accounts. |
| 1931 | | 90,478 |
| 1932 | | 332,888 |
| 1933 | | 7,411,300 |
| 1934 | | 25,630,214 |
| 1935 (seven months January to July) | | 23,773,350 |

* The imports during the fiscal year 1930-31 from Japan were 21,948 yards.

OFFENCES AGAINST WOMEN AND STEPS TAKEN TO COUNTERACT THEM.

14. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Has the attention of Government been drawn to the article headed "Crime against Women", "Growing menace" published in the *Amrita Bazar Patrika*, dated the 9th July, 1935?

(b) Will Government be pleased to state what steps, if any, they propose to take to counteract the spread of these outrages on women?

(c) Do Government propose to amend the law in such a way as to provide some corporal punishment such as public whipping as a deterrent punishment for the prevention of such forcible outrages on women?

THE HONOURABLE MR. T. SLOAN: (a) Yes.

(b) and (c). Government consider that the existing law is suitable for India as a whole. Where local conditions are exceptional, it is open to the Local Legislatures to modify the law as has been done in Burma.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: Under the existing law how many cases have been prosecuted and in how many was punishment given?

THE HONOURABLE MR. T. SLOAN: I shall require notice of that question. It applies to all cases of offences against women throughout India.

RESCUE HOMES IN DELHI.

15. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
 (a) Has the attention of Government been drawn to the article headed " Scandal of Rescue Homes ", " Girls trapped and sold ", " Sensational allegations in a letter to the Deputy Commissioner, Delhi ", published in the *Amrita Bazar Patrika*, dated the 9th July, 1935 ?

(b) If so, will Government be pleased to state whether a committee of officials and members of the Central Legislature will be appointed to investigate into the working of every one of these rescue homes including " Seva Sadan " of Delhi ? If not, why not ?

THE HONOURABLE MR. T. SLOAN : (a) I have seen the article in question.

(b) If definite complaints against individual institutions—not vague allegations such as are contained in the article referred to by the Honourable Member—are made to the Deputy Commissioner or the Superintendent of Police these will be investigated. Government do not think that on the information available there is a case for the appointment of a Committee. We are asking the Chief Commissioner for a full report on these so-called Homes.

Anti-INDIAN FILMS.

16. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :
 (a) Has the attention of Government been drawn to the editorial headed " Anti Indian films " published in the *Amrita Bazar Patrika*, dated the 7th July, 1935, page 8 ?

(b) If so, will Government be pleased to state what action they propose to take to exercise a strict control and vigilance over the exhibition of such films in foreign countries ?

(c) Is it a fact that there are no consuls or ambassadors of the Government of India in foreign countries ?

(d) Is it a fact that British ambassadors in foreign countries are expected to represent the Government of India as well as His Majesty's Government ? If so, will Government be pleased to state why the British ambassadors never protested against the exhibition of such *anti-Indian* films in foreign countries ?

(e) Will Government be pleased to state whether the Government of India represented to His Majesty's Government the strong public feeling in India against the exhibition of *anti-Indian* films in foreign countries and do they propose to place on the table of this House all the correspondence that passed between the Government of India and His Majesty's Government, if any, on this subject ? If not, why not ?

THE HONOURABLE MR. T. SLOAN : (a), (b) and (e). As stated by the Honourable Sir Henry Craik in the Legislative Assembly on the 27th March last in reply to questions in that House, the Government of India addressed the Secretary of State in this matter, pointing out that censorship in India is conducted so as to exclude from exhibition films which are calculated to wound

the susceptibilities of any foreign nation and that for that reason the Government of India were of opinion that India should be accorded reciprocal treatment in this matter whenever necessary. We have since heard from the Secretary of State that there is no official censorship on films in America, but there is an unofficial arrangement whereby producing companies in Hollywood do in their own interests make a practice of seeking advice on the suitability for Empire audiences of films which they propose to produce. This is in the interests of the companies themselves because the Empire market is a very valuable one. It is most unfortunate that this arrangement did not prevent the production of the offensive parts of the two films mentioned by the Honourable Member. But the Government of India have been informed that the producers of the film "India Speaks" have taken to heart the adverse reception of that film both in America and elsewhere and its ban by the British Board of Censors, whose lead is usually followed by censors in other parts of the Empire, and will be reluctant to allow any similar films to be released in future. As it was believed that the film was no longer being exhibited, and as there is no official censorship in America, His Majesty's Government felt that no useful purpose would be served by making representations to the Government of the United States of America.

The film "Bengali" is reputed to be the same as the film "The Lives of a Bengal Lancer" which has been exhibited in many places in India without objection. Certain portions of the film were excised by the Madras and Bombay Boards of Censors and as a result of representations made by His Majesty's Government the publishers of the film agreed to excise some portions from the copies of the film issued for exhibition in England. The copy shown in Vienna to which references were made in the Indian Press seems to have been an original copy and by the time that the representation made by His Majesty's Government reached His Majesty's Ambassador in Austria the film was at the end of its run in Vienna and the Ambassador thought that it would then be neither advisable nor appropriate to make any representation to the Austrian Government.

I should like to assure the House that the Government of India share the resentment of Honourable Members against the exhibition of films picturing India in an unfavourable light. They hope that the arrangement at Hollywood will in future prevent the production of such films at that place and they will take such steps as are possible to stop the exhibition of any such films both in India and elsewhere whenever they come to notice.

(c) Yes.

(d) The answer to the first part is in the affirmative. The reply I have given to parts (a), (b) and (e) explains the position as regards the second part.

CONCESSIONS GRANTED FOR THE MANUFACTURE OF SODA-ASH.

17. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(a) Is it a fact that special concessions have been allowed to a British concern at Khewra for the manufacture of soda-ash required for glass manufacture in India ?

(b) If so, will Government be pleased to enumerate all the concessions granted to the British concern ?

(c) Will Government be pleased to state whether any Indian concern also applied for such concessions for the manufacture of soda-ash ?

(d) Do Government propose to grant the same concessions to any Indian concern if such a concern desires to manufacture soda-ash at Sambhar ? If not, why not ?

THE HONOURABLE MR. P. C. TALLENTS: (a) Certain concessions for the establishment of an alkali factory near Khewra have been given to the Imperial Chemical Industries (India), Ltd., a company incorporated in British India with headquarters at Calcutta. It is believed that if the concern takes advantage of these concessions it will make soda-ash for glass manufacture.

(b) So far as the Government of India are concerned, the concessions relate to the use of waste salt, salty material, marl and brine at Khewra and in a neighbouring area. The concessions granted by the Punjab Government cover the right to quarry limestone in an area near Khewra and the right to use water from the Jhelum River.

(c) No.

(d) The question is a hypothetical one and I am not in a position to answer it.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable Member state when this company is likely to start manufacture of soda-ash ?

THE HONOURABLE MR. P. C. TALLENTS: Government have no information on that point.

THE HONOURABLE MR. HOSSAIN IMAM: Will Government expedite, because it is one of the reasons why no protection is given to the glass industry ?

THE HONOURABLE MR. SHANTIDAS ASKURAN: Is there Indian capital in this company ?

THE HONOURABLE MR. P. C. TALLENTS: No, the Imperial Chemical Industries (India), Ltd., is a private company ; but they have given an undertaking to Government that, if they do start factories and so on, to exploit this concession, the capital will be rupee capital and that the usual undertakings will be given.

THE HONOURABLE MR. SHANTIDAS ASKURAN: Will the capital be offered to the public in India, or a part of it ?

THE HONOURABLE MR. P. C. TALLENTS: Yes.

THE HONOURABLE MR. HOSSAIN IMAM: May I know if there is any time-limit for the company to start working the concession ?

THE HONOURABLE MR. P. C. TALLENTS: Not so far as I am aware.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Government consider the desirability of introducing a clause of this nature ?

THE HONOURABLE MR. P. C. TALLENTS: They will no doubt consider it.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: May I know the period of concession given to the company ?

THE HONOURABLE MR. P. C. TALLENTS: The concession of the Punjab Government is for 50 years and that of the Government of India is for the same period, 50 years.

THE HONOURABLE MR. HOSSAIN IMAM: What is the amount of royalty paid to Government ?

THE HONOURABLE MR. P. C. TALLENTS: There are various provisions. The company is to pay the Secretary of State eight annas a ton on sodium chloride in all salt and salty material, and so on.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: Will Government be pleased to lay the copy of the agreement relating to the concessions on the table ?

THE HONOURABLE MR. P. C. TALLENTS: No. I think that is not the usual practice and I am not prepared to do so.

THE HONOURABLE MR. P. N. SAPRU: Is there any Indian on the directorate ?

THE HONOURABLE MR. P. C. TALLENTS: Not so far as I know. The present company is a private company.

THE HONOURABLE MR. V. C. VELLINGIRI GOUNDER: It would be giving a monopoly to give away the natural resources of our country.

THE HONOURABLE THE PRESIDENT: That is an argument and I will not allow it.

GRIEVANCES OF THIRD CLASS PASSENGERS, GREAT INDIAN PENINSULA RAILWAY.

18. **THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE:**
(i) Is it a fact that most of the carriages used on the Bombay suburban service of the Great Indian Peninsula Railway leak during the monsoon ?

(ii) Do Government propose to issue instructions to the Great Indian Peninsula Railway Administration to arrange to have the roofs of all their third class carriages on their suburban service thoroughly repaired and tested before every monsoon to avoid the leakage ?

(iii) Do Government propose to appoint an officer to attend to the grievances of the third class passengers of the Great Indian Peninsula Railway ?

THE HONOURABLE SIR MAURICE BRAYSHAY: (i) Government are not aware that the facts are as stated.

(ii) A copy of this question and its answer will be sent to the Agent, Great Indian Peninsula Railway, for such action as he may consider necessary.

(iii) No, Sir. Government do not consider this necessary.

PROVIDENT FUND OF CURRENCY STAFF.

19. **THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE:**
(i) Will Government be pleased to state the reasons for not improving the conditions of the Provident Fund of the Currency staff in India ?

(ii) Had those defects been removed before the Currency staff was transferred to the Reserve Bank? If not, why not?

THE HONOURABLE MR. P. C. TALLENTS: (i) and (ii). I would refer the Honourable Member to the information laid on the table of the Legislative Assembly on 12th of December, 1933 in reply to question No. 1090 asked by Mr. Lalchand Navalrai. The position regarding the Provident Fund of the Currency staff in India remained unchanged from that date until the transfer of the staff to the Reserve Bank for the reasons given in that reply.

GOVERNMENT QUARTERS, SUMMER HILL.

20. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (i) Is it a fact that most of the European and Anglo-Indian military clerks are giving up their quarters in Summer Hill?

(ii) Is it a fact that many of the military clerks employed in Army Headquarters are entitled to house-rent under Army Regulations?

(iii) Will Government be pleased to state the number of military European and Anglo-Indian clerks who were occupying Summer Hill quarters in 1934 and 1935 but who are giving up such quarters for 1936?

(iv) Will Government be pleased to state the total amount of house-rent that Government will have to pay to those clerks in 1936 which would have been saved if such clerks remained in Government quarters?

(v) Is it a fact that these quarters which are being vacated by military clerks are being allotted to junior men of Army Headquarters and other attached offices and that as a result Government will derive a rent which will not meet the cost of annual repairs to the buildings? If so, what are the reasons which prompted Government to frame allotment rules in such a way as to put an embargo on all the senior European and Anglo-Indian military clerks of Army Headquarters as well as the senior unorthodox staff of the Secretariat?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (i) No, Sir.

(ii) Only those military clerks serving at Army Headquarters who are in receipt of military rates of pay are entitled to be housed free by the State, and receive compensation in lieu of quarters and then only, provided that

(a) Government quarters are not available, or

(b) if available, the clerks concerned have been granted permission in the interests of the office to live in Simla close to their work.

(iii) A statement is laid on the table.

(iv) Rs. 99 per mensem.

(v) The rule provides for those quarters to be allotted according to juniority and Government do not propose to alter this long established principle.

Statement giving the information required in part (iii) of question No. 20.

| Military European clerks. | | | Anglo-Indian clerks. | | |
|--|-------|---|--|-------|---|
| No. in occupation of Summer Hill quarters in | | No. of those who are giving up such quarters in 1936. | No. in occupation of Summer Hill quarters in | | No. of those who are giving up such quarters in 1936. |
| 1934. | 1935. | | 1934. | 1935. | |
| 13 | 10 | 3 | 15 | 15 | Nil. |

CONSTRUCTION OF THE DACCA-ARICHA RAILWAY.

21. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE :

(i) Will Government be pleased to state whether there was a survey made for the construction of the Dacca-Aricha Railway? Is it a fact that several promises were made in the past for the construction of this railway as soon as finances were available for new construction?

(ii) Is it a fact that several new lines all over India have been constructed the question of whose survey was taken up long after the question of the Dacca-Aricha Railway was taken up?

(iii) Is it a fact that the construction of the Dacca-Aricha Railway is being postponed because several inland navigation companies owned by British capitalists are against the said construction, on the ground that the earnings from steamer services run by such companies in that part of Bengal will be adversely affected? Has Government received any representation from the residents of Dacca urging on Government to expedite the construction of the said line? If so, do Government propose to construct the line and provide money for its construction in the next year's budget? If not, why not?

THE HONOURABLE SIR MAURICE BRAYSHAY : (i) Yes. The decision not to proceed with the construction is based on the views of the Bengal Government.

(ii) Yes.

(iii) No, the Bengal Government object to this construction. Government are not aware of any representation from the residents of Dacca. Government do not propose to construct the line, as the Government of Bengal consider the construction of this line to be undesirable, on grounds of the menace to public health.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Is it the desire of the Government to have the construction of a metalled road from the Road Board Fund?

THE HONOURABLE SIR MAURICE BRAYSHAY : That would be a matter for the Bengal Government.

THIRD CLASS COMPARTMENTS.

22. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH : (a) Has it been represented to Government that the present day designs of big III class compartments with accommodation for 20 to 60 passengers with one small latrine causes great hardships to III class passengers using such compartments ? If not, do Government propose to enquire into this matter from the different Railway Administrations ? If not, why not ?

(b) Has it been represented to Government that such big III class compartments are more liable to over-crowding than smaller compartments ? If not, do they propose to enquire into this matter from the different Railway Administrations ? If not, why not ?

THE HONOURABLE SIR MAURICE BRAYSHAY : (a) The present standard design of the third class carriage contains four compartments. The minimum seating accommodation of any one compartment being 12 with one latrine and the maximum 52 with two latrines. Government are not aware that it causes great hardship but understand that there is a desire for a carriage having a larger number of small compartments, and are taking action in the matter in consultation with the different Railway Administrations and the Central Advisory Council for Railways.

(b) Government are informed that small compartments are just as liable to overcrowding as large compartments.

PROVISION OF FANS IN THIRD AND INTER CLASS COMPARTMENTS.

23. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH : Will Government be pleased to state whether they have taken any steps for the provision of fans to III class and inter class compartments ? If not, why not ?

THE HONOURABLE SIR MAURICE BRAYSHAY : The capital required to provide fans in third class compartments of Class I Railways is roughly estimated to be about Rs. 1½ to 2 crores, and the recurring expenditure about Rs. 30 lakhs per annum. Government regret that they are unable to provide any money for this purpose in the immediate future.

Information is being collected regarding the probable cost of fitting fans in inter class compartments. When the information is in their possession Government will come to a decision in the matter.

NEW DESIGN OF THIRD CLASS CARRIAGES.

24. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH : (a) Has the attention of Government been drawn to the paragraph in the *Amrita Bazar Patrika*, dated the 16th May, 1935, on the subject of the new design of III class carriages with 6 different compartments for 16 passengers in each compartment ? Are the statements in the paragraph correct, and, if so, will Government be pleased to state when will such smaller III class compartments with lying accommodation be put on the lines ?

(b) Will Government be pleased to state whether such designs of III class carriages will be put on all the State railway lines and Company managed lines ?

THE HONOURABLE SIR MAURICE BRAYSHAY : (a) Yes. The description given therein of the proposed new carriage is substantially correct. A

sample coach will be available for inspection by the members of the Central Advisory Council for Railways at Delhi in November next. If final agreement to the new design is then reached, the first carriage built to such design will appear in 1936.

(b) Carriages to the new design will be adopted as a future standard for all State-managed railways, and company-managed railways will be requested to adopt this standard design.

ACCIDENT AT RAILWAY STATION, BARRACKPORE, EASTERN BENGAL RAILWAY.

25. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :

(a) Is it a fact that in May last there was a railway accident on the Eastern Bengal Railway at Barrackpore station? If so, will Government be pleased to state the number of killed and injured in that accident?

(b) Is it a fact that a guard and a III class passenger were injured? If so, will Government be pleased to state whether any compensation will be paid to the injured guard, if the accident was not due to his fault and will any compensation be paid to the injured passenger? If not, why not?

(c) Has any enquiry been held, and, if so, will Government be pleased to State the findings of such enquiry?

THE HONOURABLE SIR MAURICE BRAYSHAY : (a) and (b). Yes. A mixed train ran into the rear of a goods train outside signals at Barrackpore station on the 15th May, 1935. One passenger received slight injuries and the guard of the goods train, who was seriously injured, died ten days later.

The Agent, Eastern Bengal Railway, states that a sum of Rs. 3,500 due under the Workmen's Compensation Act was deposited in July, 1935 with the Commissioner, Workmen's Compensation, Bengal, for payment to the dependents of the deceased guard, and that no compensation is payable to the passenger as he was travelling on an expired date ticket.

(c) Yes, by the Government Inspector of Railways who attributes the accident to the driver of the mixed train not observing the indication of the advance starting signal at Ichhapur and going past it while it was at danger.

THE HONOURABLE MR. P. N. SAPRU : Has any action been taken against that driver?

THE HONOURABLE SIR MAURICE BRAYSHAY : Departmental action would in the ordinary course be taken.

THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE : Could the accident have been due to the bad interlocking system on the railway?

THE HONOURABLE SIR MAURICE BRAYSHAY : No, Sir, it is due to the driver passing a danger signal.

ACCIDENT AT GOODS YARD, SERAJGANJ, EASTERN BENGAL RAILWAY.

26. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :

(a) Is it a fact that in May last there was a railway accident in the Serajganj goods yard on the Eastern Bengal Railway? If so, will Government be pleased to state the number of killed and injured?

(b) Is it a fact that as a result of that accident one pointsman was crushed to death and two other employees severely injured ?

(c) If so, will Government be pleased to state whether any pension has been arranged for the widow and the family of the deceased pointsman, if the accident was not due to his negligence ?

(d) Will Government be pleased to state whether any compensation is being granted to the other two injured ? If not, why not ?

(e) Has any enquiry been held, and, if so, will Government be pleased to state the findings of such enquiry ? If not, why not ?

THE HONOURABLE SIR MAURICE BRAYSHAY : (a) and (b). There was an accident at Serajganj station in which a shunting porter was killed and a pointsman severely injured.

(c) and (d). No pension is due under the rules, but a sum of Rs. 900 has been paid as compensation to the widow of the shunting porter under the Workmen's Compensation Act. She is also entitled to a gratuity of Rs. 150 under the Gratuity Rules. The Agent, Eastern Bengal Railway, states that the pointsman who was injured is still on leave and his case is under observation, and it is not possible to say at present whether he is due any compensation.

(e) Yes. The officer holding the enquiry held that the shunting porter was killed due to his own neglect of duty. It is the duty of shunting porters to pin down brakes of vehicles detached but the deceased failed to do so. The gunner who was supervising the shunting was also held partially responsible for not satisfying himself that the brakes of the vehicle detached had been pinned down.

DEATH OF A RAILWAY PASSENGER THROUGH FALLING OFF A MOVING TRAIN.

27. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH : (a) Has the attention of Government been drawn to a paragraph in the *Amrita Bazar Patrika*, dated the 19th May, 1935, regarding the "Tragic fate of a railway passenger" who made a dying declaration that he received the injury as the result of a ticket checker pushing him out of a running train for his travelling without a ticket ?

(b) Will Government be pleased to state whether any police or departmental investigation has been made into this allegation ?

(c) If so, will they be pleased to state the findings of such enquiry ?

(d) Have the authorities been able to find out the culprit responsible for the crime resulting in the death of a passenger ? If not, why not ?

THE HONOURABLE SIR MAURICE BRAYSHAY : (a) and (b). Yes.

(c) and (d). The finding was to the effect that the deceased himself was to blame for the accident. It appears that he was travelling without a ticket and got down at Jagati station to drink water and when the train started, attempted to get into the train but slipped and fell. The ticket checker, who it was alleged had pushed him out, could not have done so as he was travelling in another compartment.

RAIL MOTOR FARES BETWEEN SUMMER HILL AND SIMLA, NORTH WESTERN RAILWAY.

28. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH :

(a) Is it a fact that in 1933 rail motor tickets between Summer Hill and Simla were sold for nine annas for each trip and Rs. 13-8-0 for monthly tickets? Since when has the price of these tickets been doubled?

(b) Is it a fact that a large number of such tickets used to be sold before the fares were raised and that since the fares have been raised there has been a large decline in railway earning from 1st class passengers?

(c) Will Government be pleased to state the amount, the railway derived annually during the years 1930—1934 from the sale of 1st class tickets ordinary and suburban between Summer Hill and Simla and *vice versa* before the fares were raised and the amount derived since the fares have been raised?

(d) Will Government be pleased to state the reasons why a rail motor cannot be run between Simla and Summer Hill and *vice versa* if a guaranteed full number of monthly fares according to the seating capacity of such motors is forthcoming?

(e) Will Government be pleased to state whether any such guarantee was ever furnished by the Summer Hill residents to the railway authorities, and, if so, will Government be pleased to state the reasons why such rail motor was refused?

THE HONOURABLE SIR MAURICE BRAYSHAY: (a) Prior to 1st March, 1933, the cost of a single journey first class ticket from Summer Hill to Simla was 14 annas and of a first class monthly season ticket Rs. 21. As an experimental measure, passenger fares were reduced over the Kalka-Simla section from 1st March, 1933, and the cost of a single journey ticket between Summer Hill and Simla was consequently reduced to nine annas and of a first class monthly season ticket to Rs. 13-8-0. The experiment did not, however, prove successful, and from 1st March, 1934, the fares previously in force were reverted to.

(b) Yes, but the earnings from passenger traffic over the entire Kalka-Simla section have increased.

(c) The total earnings from the sale of first class tickets, both ordinary and season, between Simla and Summer Hill was Rs. 485-1-0 in 1933 and Rs. 115-11-0 in 1934. Figures for the years prior to 1933 are not available.

(d) There are not sufficient rail motors to run a regular service between Simla and Summer Hill but the present timings of the rail motors running between Kalka and Simla are considered suitable and accommodation is almost invariably available in these rail motors for passengers travelling from Summer Hill to Simla and *vice versa*. The Administration would be prepared to consider allotting a rail motor to run between Simla and Summer Hill if a sufficient number of first class season tickets for the whole summer season were guaranteed.

(e) The Agent, North Western Railway, states that a proposal was received from certain residents of Summer Hill employed in civil secretariat offices, suggesting a rail motor being run for a guaranteed number of second class

season ticket holders between Summer Hill and Simla, both in the morning and in the evening. The proposal was examined and was not found to be remunerative.

POSSIBILITIES OF IMPROVING RAILWAY EARNINGS BETWEEN SIMLA AND SUMMER HILL, NORTH WESTERN RAILWAY.

29. THE HONOURABLE RAJA RAGHUNANDAN PRASAD SINGH : (a) Is the North Western Railway a State railway and is it run on commercial lines ? If so, why are steps not taken and devices adopted by which the railway earnings between Summer Hill and Simla can be considerably increased ?

(b) Is it a fact that since the Summer Hill quarters have been allotted to unorthodox Indians the railway earnings from Summer Hill station are showing an increase both in passenger traffic and goods traffic ?

(c) Will Government be pleased to state the total earnings from Summer Hill station during each of the years 1930 to 1935 ?

THE HONOURABLE SIR MAURICE BRAYSHAY : (a) Yes. The Agent, North Western Railway, states that the possibilities of improving the earnings between Simla and Summer Hill stations have not been overlooked. If my Honourable friend has any suggestions to offer, I shall be very pleased to communicate them to the Administration for consideration.

(b) and (c). The total earnings of Summer Hill station in 1933 were Rs. 74,687-6-0, in 1934 Rs. 92,145-6-0 and from January to August, 1935 Rs. 55,893-6-0.

Figures for the period prior to 1933 are not available.

BALANCES HELD IN THE GOLD STANDARD RESERVE AND PAPER CURRENCY RESERVE ON 31ST MARCH, 1935.

30. THE HONOURABLE MR. HOSSAIN IMAM : Will Government kindly state the following facts :

(a) The assets of the Gold Standard Reserve and Paper Currency Reserve on 31st March, 1935 ?

(b) The amounts transferred from each to the Reserve Bank on 1st April, 1935 ?

(c) The way in which the residue, if any, was disposed off ?

(d) As a result of formation of the Reserve Bank was there an increase or decrease of the permanent debts of India, between 31st March, 1935 and 1st April, 1935 ?

THE HONOURABLE MR. P. C. TALLENTS : (a), (b), (c) and (d). The balances held in the Gold Standard Reserve and the Paper Currency Reserve on the 31st March, 1935 were published in the Gazette of India, Part II, dated 13th April, 1935. These balances were transferred to the Reserve Bank with the exception of about 40 crores of silver coin and bullion which have been retained by the Government of India and 10 crores of sterling securities which have been set aside in the Silver Redemption Reserve Fund. As a result of the formation of the Reserve Bank there has neither been an increase nor a decrease in the permanent debt of the Government of India.

STOCK OF RUPEE COIN AND BULLION HELD BY GOVERNMENT ON 31ST AUGUST, 1935.

31. THE HONOURABLE MR. HOSSAIN IMAM: What was the stock of rupee coin and bullion held by the Government of India on 31st August, 1935?

THE HONOURABLE MR. P. C. TALLENTS: Information regarding the stock of rupee coin and bullion held by the Government of India at the beginning and end of each financial year will be given in the Finance and Revenue Accounts. The figure for 1st April last is Rs. 40,38,00,000. It is not in the public interest to supply information regarding the stock at more frequent intervals.

FORM IN WHICH THE PAYMENT OF RS. 5 CRORES FOR THE RESERVE FUND WAS MADE TO THE RESERVE BANK.

32. THE HONOURABLE MR. HOSSAIN IMAM: How did Government pay the Rs. 5 crores for the Reserve Fund to the Reserve Bank? Was it in *ad hocs*? If so, at what rate of interest?

THE HONOURABLE MR. P. C. TALLENTS: The contribution of the Governor General in Council under section 46 of the Reserve Bank of India Act to the Reserve Fund of the Bank was made in the form of regular rupee securities and not *ad hocs*.

FUNCTIONS OF THE CONTROLLER OF THE CURRENCY AND HIS STAFF AT PRESENT AND BEFORE 31ST MARCH, 1935.

33. THE HONOURABLE MR. HOSSAIN IMAM: Will Government kindly state fully the functions at present and before 31st March, 1935, of the Controller of the Currency and his staff?

THE HONOURABLE MR. P. C. TALLENTS: The functions which remain with the Controller of the Currency are as follows:

- (1) Ways and means budget and the monthly compilation of the Civil Accounts and the other statements connected therewith.
- (2) Administration of the Mints and scrutiny of small coin requirements.
- (3) Disposal of references from the Reserve Bank on the administration of the Public Debt.
- (4) Administration of Trustee securities (including the work previously done by the Deputy Controllers of the Currency).

The Controller of the Currency has been nominated to represent Government at the meetings of Central Boards of the Reserve Bank and the Imperial Bank.

The functions which the Controller of the Currency used to perform but which have been transferred to the Reserve Bank from the 1st April, 1935 are as follows:

- (i) Public Debt administration including examination of endorsements on Government Paper.
- (ii) Administration of the former Currency Department.
- (iii) Tenders for treasury bills and sterling.

- (iv) Estimates of small coin requirements and the distribution of available balances.
- (v) Local Resources work formerly carried out by the Deputy Controllers of the Currency.
- (vi) Administration of the Mysore Loans.

APPLICATION OF THE LAW FOR THE FIXATION OF THE MINIMUM PRICE OF SUGAR-CANE.

34. THE HONOURABLE MAHARAJADHIRAJA SIR KAMESHWAR SINGH OF DARBHANGA : Will Government be pleased to state the names of areas, in different provinces, in which the law for the fixation of minimum price for sugar cane has been enforced and indicate the effects of the same both on the consumers and the producers of sugar-cane ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : Minimum prices for cane on a sliding scale varying with the average price of Indian factory sugar have been fixed in the whole of the United Provinces and in the North Bihar districts of Bihar and Orissa. The minimum price for cane throughout 1934-35 was practically stationary at five annas per maund in both provinces.

The Government of India have not yet received any reports on the working of the Sugar cane Act but so far as their information goes the prices fixed have been found fair to both sugar-cane growers and sugar manufacturers.

APPLICATION OF THE LAW FOR THE FIXATION OF THE MINIMUM PRICE OF SUGAR-CANE.

35. THE HONOURABLE MAHARAJADHIRAJA SIR KAMESHWAR SINGH OF DARBHANGA : (a) Will Government be pleased to state the basis on which the selection of areas for the application of the law for the fixation of minimum price of sugar has been made in different provinces ?

(b) Is it a fact that the Bihar Government has applied the law to North Bihar districts only ? If so, why ?

(c) Will Government be pleased to enquire from the Government of Bihar and Orissa and state their reasons for not applying the law to the South Bihar districts ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : (a) Under section 3(I) of the Sugar cane Act, 1934, this is a matter within the discretion of Provincial Governments who are presumably guided by local considerations.

(b) Yes. Presumably in view of the fact that in North Bihar sugar manufacture is an established industry and a large proportion of the cane produced is used for sugar manufacture in modern factories.

(c) In view of the reply given to parts (a) and (b) Government do not consider this necessary.

MOLASSES AND THE SUGAR INDUSTRY.

36. THE HONOURABLE MAHARAJADHIRAJA SIR KAMESHWAR SINGH OF DARBHANGA : Is it a fact that molasses have ceased to be a source of revenue to the sugar industry ? If so, with what results ?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD : Not entirely. Government understand that many factories are still able to obtain some

price for their molasses. Other factors remaining constant, a reduction in the price obtainable for molasses must to that extent affect the returns of a sugar factory.

SUGAR INDUSTRY AND EXTERNAL COMPETITION.

37. THE HONOURABLE MAHARAJADHIRAJA SIR KAMESHWAR SINGH OF DARBHANGA: What steps are Government taking:

(a) To free the sugar industry from external competition?

(b) To counteract the effect of the importation of sugar through the maritime States? and

(c) Effectively to prevent the smuggling of sugar?

THE HONOURABLE MR. P. C. TALLENTS: (a) I would invite the attention of the Honourable Member to the section relating to sugar in the speech delivered by Sir George Schuster in introducing the budget for 1934-35. The sugar industry now enjoys an adequate measure of protection and receives generous help from Government in the matter of financing sugar technology and agricultural research for the improvement of the quality of Indian cane.

(b) Negotiations with the Kathiawar Estates are in progress.

(c) The land customs line on the borders of Kathiawar and Cutch has been strengthened.

PRESENT CONDITION OF THE SUGAR-CANE INDUSTRY.

38. THE HONOURABLE MAHARAJADHIRAJA SIR KAMESHWAR SINGH OF DARBHANGA: Will Government be pleased to state the present condition of the sugar-cane industry in India both on its agricultural and manufacturing side and indicate generally the effects of the protection granted to it and the excise duty imposed upon it?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: A statement is laid on the table.

Statement showing the present condition of the sugar-cane industry in India both on its agricultural and manufacturing side with reference to the reply given to question No. 38.

A reference is invited to the *Review of the Sugar Industry in India* published as a supplement to the *Indian Trade Journal* for August 15th, 1935, a copy of which is available in the Library of the House. Since protection was granted to the sugar industry in 1932, there has been a steady increase in factory sugar production from 158,581 tons in 1931-32 to 620,000 tons in 1934-35, the estimate for 1935-36 being 710,000 tons. The area under sugar-cane of all kinds has increased from 3,076,000 acres in 1931-32 to 3,419,000 acres in 1933-34 and 3,471,000 acres in 1934-35. The area under improved varieties shows a marked increase from 1,170,000 acres in 1931-32 to 2,139,000 acres in 1933-34. As a result of the Sugar-cane Act, 1934, the minimum price of cane supplied to factories in the United Provinces and North Bihar throughout the last season was five annas per maund. It is too early yet to come to any conclusions regarding the effects of the excise duty, but the Government of India are informed that whereas only 115 sugar factories were working in 1933-34 there were 142 factories working in 1934-35.

CADETS COMMISSIONED FROM THE INDIAN MILITARY ACADEMY AS A RESULT OF THE LAST TWO EXAMINATIONS.

39. **THE HONOURABLE MR. V. V. KALIKAR**: Will Government be pleased to state:

(a) The number of officers commissioned from the Indian Military Academy in the last two examinations held in December, 1934 and June, 1935?

(b) The number of cadets admitted to the Indian Military Academy since it was started?

(c) The percentage of commissioned officers to the total number of cadets admitted up to date to the Indian Military Academy? and

(d) The percentage of cadets who have been admitted to the Sandhurst Military College and who have undergone the necessary training, but who have failed to receive a commission, in Britain in the years 1933 and 1934?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) Excluding the Indian States Force cadets, 22 in December, 1934 and 25 in June, 1935.

(b) By open competition—114.

Indian Army cadets—121.

Indian States Forces cadets—36.

(c) 81 per cent. of those who have completed the course.

(d) Of the 30 Indian cadets who completed their course at the Royal Military College, Sandhurst, in 1933 and 1934, only one failed to obtain a commission. I have no information about the number of British cadets who failed in that period.

REASONS FOR DECREASING THE NUMBER OF INDIAN COMMISSIONED RANKS.

40. **THE HONOURABLE MR. V. V. KALIKAR**: (a) Is it a fact that the Government had decided to fill sixty vacancies in the commissioned ranks every year? (b) If the answer to part (a) is in the affirmative, what are the reasons for decreasing the number of the Indian commissioned ranks?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) The intake into the Indian Military Academy is 60 a year.

(b) There has been no decrease in the number of Indian commissioned officers. If the Honourable Member is thinking of Viceroy's commissioned officers, I would refer him to my speech in reply to the Honourable Mr. Sapru's Resolution in this House on September 5th, last year.

NON-RECEIPT OF COMMISSIONS BY CERTAIN CADETS OF THE INDIAN MILITARY ACADEMY.

41. **THE HONOURABLE MR. V. V. KALIKAR**: Is it a fact that some of the cadets admitted to the Indian Military Academy were found by the Commandant of the Academy to be lacking in the necessary qualities and therefore were unable to receive commissions?

(b) If so, whether in the majority of cases it was the cadets who were selected on the result of the examination who were found lacking in the necessary qualities or whether cadets who were nominated by the Commander-in-Chief were similarly found lacking in those qualities ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) Yes, Sir.

(b) Cadets of both categories have been found wanting, the majority being nominated cadets. We are now considering measures to improve matters in this respect.

AMOUNT ALLOTTED TO THE CENTRAL PROVINCES FOR RURAL UPLIFT.

42. THE HONOURABLE MR. V. V. KALIKAR: Will Government be pleased to state :

(a) The amount that has been allotted to the Central Provinces and Berar for spending on schemes for economic development and improvement of rural areas, out of one crore of rupees set aside for distribution to the provinces ?

(b) Whether Government have received any scheme of rural uplift from the Government of the Central Provinces for spending the amount mentioned in part (a) ?

(c) If so, the purport of the scheme submitted by the Central Provinces Government ?

(d) Whether the Government of the Central Provinces included in the scheme submitted by them any proposals to assist the agriculturists who cultivate and grow oranges in the Central Provinces ? If not, do Government propose to suggest the Central Provinces Government to include a proposal in their scheme for assisting the orange-growers in Central Provinces ? and

(e) Whether the Government of India have received any proposals from the Agricultural Department of the Central Provinces Government to reduce the railway freight with regard to the transport of oranges to other provinces ?

THE HONOURABLE MR. P. C. TALLENTS: (a) to (c). A copy of the statement presented by the Honourable the Finance Member to the Legislative Assembly regarding the grant from central revenues for rural development is laid on the table and the Honourable Member will find in it the replies to clauses (a), (b) and (c) of this question.

(d) The reply to both parts of this clause is in the negative.

(e) No.

The Government of India Grant for Rural Development in 1935-36.

In the budget speech for 1935-36 it was announced that the Government of India proposed to make a grant of Rs. 1 crore for distribution to the Provinces to be spent on schemes for the economic development and improvement of rural areas. It was indicated that 10 or 15 lakhs of this sum would be earmarked for the purpose of assisting the co-operative movement and that the remainder would be allocated among the Provinces on the basis of rural population. The money was to be spent on schemes approved by the

Government of India which would improve the economic position of the people in rural areas. The term 'economic position' was intended in its broadest sense, i.e., it was meant to cover measures designed to improve the actual money incomes of the people as well as those designed to improve their health and education. The schemes were of course to be additional schemes, i.e., over and above the ordinary activities of the Provincial Governments.

A demand was laid before the Legislative Assembly for the transfer of one crore from the 1934-35 surplus to a special fund to be devoted to the economic development of rural areas. At a later stage it was proposed to transfer to the fund the unallocated balance of that surplus, then estimated to amount to 13 lakhs, in order to provide scope for varying the allotments payable on the rural population basis where it seemed desirable to do so, particularly in the case of some of the economically backward Provinces.

In the first place, 15 lakhs have been set aside for developing the co-operative movement. Even before the decision to make a grant of Rs. 1 crore was taken, the Government of India had placed Mr. M. L. Darling, formerly Registrar of Co-operative Societies, Punjab, and an acknowledged authority on the subject, on special duty to enquire into the state of the co-operative movement in each Province with a view to assisting the Reserve Bank in developing its proposals for the creation of its agricultural credit department. As the result of his enquiries Mr. Darling was impressed with the neglect from which, in certain of the Provinces at any rate, education in the principles and practice of the movement of official as well as non-official workers engaged in it had suffered. He was strongly of opinion that unless this neglect were promptly remedied, there would be no real revival of co-operation. The Government of India recognise how wide is the scope for co-operative principles in rural reconstruction. They, therefore, agreed with Mr. Darling's view that their proposed contribution for developing the co-operative movement should be devoted to giving effect to the educational schemes which he had worked out in consultation with the Provincial Registrars of Co-operative Societies. Local Governments have been informed of this and the Government of India now await their final views on Mr. Darling's proposals. On receipt of these the sum of Rs. 15 lakhs will be distributed.

Next 85 lakhs were allocated on the basis of rural population as follows:—

| | Rs. Lakhs. |
|------------------------------|---------------|
| Madras | 14 |
| Bombay | 6 |
| Bengal | 16 |
| United Provinces | 15 |
| Punjab | 7.5 |
| Burma | 5 |
| Bihar and Orissa | 12.5 |
| Central Provinces | 5 |
| North-West Frontier Province | 1 |
| Assam | 3 |

Then from the supplementary amount available, $\frac{1}{2}$ lakh was set aside for each of Coorg, Delhi and Ajmer-Merwara, while an additional 2 lakhs each

were assigned to Assam and the North-West Frontier Province. These two Provinces are sparsely populated and economically backward and clearly offer the most abundant opportunities for development. The needs of Assam and its case for special treatment have been recognised on all hands in recent years.

Finally the Government of India considered that the distribution on the basis of rural population somewhat under-estimated the needs and claims of Bombay and the Punjab and an additional lakh was given to each of these Provinces.

Thus, in the end, 92½ lakhs have been allotted, as shown in the following table, and 5½ lakhs have been kept in reserve :—

| | Rs. |
|--------------------------------------|--------|
| | Lakhs. |
| Madras | 14 |
| Bombay | 7 |
| Bengal | 16 |
| United Provinces | 15 |
| Punjab | 8·5 |
| Burma | 5 |
| Bihar and Orissa | 12·5 |
| Central Provinces | 5 |
| North-West Frontier Province | 3 |
| Assam | 5 |
| Delhi | 0·5 |
| Ajmer-Merwara | 0·5 |
| Coorg | 0·5 |
| Total .. | 92·5 |

Immediately the demand was passed by the Legislative Assembly, Local Governments were asked to submit schemes to an amount somewhat in excess of their allotment in order to allow for the possibility of some of their proposals not finding favour with the Government of India. The scope for initiative and experiment in rural reconstruction is of course vast. But the Government of India decided to give a lead to Local Governments by indicating certain categories which in their view covered the most pressing needs of village life and offered the most practical benefit. These categories are as follows :—

1. Sanitary measures, *e.g.*—

- (i) Anti-malarial schemes,
- (ii) Village water-supply including well-boring,
- (iii) Village sanitation including drainage.

2. Consolidation of holdings,

3. Village roads,

4. Discretionary grants to District Officers to enable them to promote or assist minor local works of improvement,

and Local Governments were told that the Government of India would accept without question schemes falling under these heads. It should be emphasised that these categories were not meant to be exhaustive but only to direct effort

into channels that appeared to be most fruitful. Some of the Provinces proposed to spend the bulk of their allotment on projects of these general descriptions but a considerable number of other schemes were put forward covering a wide range of activity, some of them representing entirely new departures which should in time make a radical transformation in the conditions of village life. The nature of these various schemes can most conveniently be described by a recital Province by Province of the projects actually approved by the Government of India. A further report as to the actual progress of the schemes will be laid before the Assembly in due course.

Madras.

| | Rs. |
|---|------------------|
| (1) Rural water supply | 5,50,000 |
| (2) Village communications | 4,50,000 |
| (3) Village sanitation | 3,00,000 |
| (4) Anti-malarial measures | 50,000 |
| (5) District Officers' discretionary grants | 50,000 |
| Total .. | 14,00,000 |

(1) The works will be executed by the district boards and, where the schemes relate to protected water-supply, the approval of the Sanitary Engineering Department will be insisted upon. The grants will be confined to new works only and they will be spread over as many taluks as possible in each district.

(2) A sum of Rs. 3 lakhs will be allotted to District Boards for the improvement of village communications in areas other than those within the jurisdiction of non-union Panchayat Boards. It is proposed to distribute a sum of Rs. 1,50,000 through the agency of the Inspector of Local Boards and Municipal Councils for the improvement of village communications in non-union panchayat areas. In each case, the local Government will sanction the grants after satisfying themselves that the works proposed are really useful and that the grants are distributed evenly in all districts.

(3) A sum of Rs. 3 lakhs will be spent on village sanitation as shown below :

| | Rs. |
|--|-------------|
| | Lakhs. |
| (i) Borehole latrines in rural areas | 2.75 |
| (ii) Poonamallee Health Unit scheme | 0.25 |
| Total .. | 3.00 |

(i) *Borehole latrines.*—The Director of Public Health has drawn up a scheme providing (1) for the construction of two public latrines in each

village selected, the local body or villagers undertaking to maintain them, and (2) for the supply of concrete slabs at half cost and the full supply of borers necessary for installing private latrines in a few houses in each village, subject to the condition that the house-owner finds funds for the enclosure, labour for boring and construction, and also the other half of the cost of the slabs. Work will be confined to about 100 important villages in a typical taluk of each district and the needs of areas inhabited by depressed classes will also receive due consideration. The work will be executed by the Public Health Department.

(ii) *Poonamallee Health Unit Scheme*.—It is proposed to utilise a sum not exceeding Rs. 25,000 on a scheme of intensive health work in a selected area to demonstrate the benefits that will accrue thereby to the health and welfare of the rural population. The health unit will work under the Public Health Department.

(4) The following anti-malarial measures will be carried out in four typical areas :

- (a) provision of sub-soil and open drainage at a place in the Vizagapatnam Agency ;
- (b) sub-soil drainage at a place in the Nilgiris (hilly tracts) ;
- (c) anti-malarial measures in the Rameswaram Island ; and
- (d) anti-malarial measures in certain coastal areas in the Nellore district.

The works will be executed by the Public Health Department.

(5) The discretionary grants will be spent on urgent village necessities in particular localities and will be non-recurring. The objects on which the grants may be spent are restricted to the following :

- (i) Construction or improvement of public baths ;
- (ii) Improvement or provision of minor village communications such as river landings, foot-bridges, culverts, foot paths, boats for crossing streams and canals.
- (iii) Wells or other drinking water sources for the poorer classes.
- (iv) Playgrounds for village schools.
- (v) Burial and burning grounds.
- (vi) Relief of poor people who have suffered from fire, flood, cyclone or other sudden calamities or who are obliged to vacate their houses owing to plague, etc.

The question whether Collectors should be authorised to spend this grant of Rs. 50,000 on objects other than those specified above is under the consideration of the Local Government.

Bombay.

| (1) Village Improvement scheme : | Rs. | Rs. |
|---|----------|----------|
| Northern Division | 1,08,000 | |
| Central Division | 2,02,000 | |
| Southern Division | 1,58,000 | |
| Sind | 1,38,000 | |
| | <hr/> | 6,06,000 |
| (2) Improvement of buffaloes and disposal of milk | | 42,000 |
| (3) Improvement of poultry | | 15,000 |
| (4) Co-operative egg-collecting and marketing | | 2,000 |
| (5) Improved preserving and tanning of hides | | 25,000 |
| (6) Inland fisheries | | 10,000 |
| | <hr/> | 7,00,000 |
| Total | | <hr/> |

(1) The Village Improvement Scheme of the Bombay Government organised on the lines laid down by the late Governor, Sir Frederick Sykes, has now been in actual operation for nearly two years.

The essential factor of the scheme is the co-operation of all agencies—Government, local authorities, non-official associations and local effort, to improve all sides of the life of the cultivator, concentrating in the first instance on the more pressing needs of the particular village concerned. The scheme is based on the view that no effective progress is possible without the co-operation of the villagers themselves and that the first task is to arouse in them an interest in, and a desire for, improvement of their condition.

Under the scheme the primary agency is the District Executive Committee for village improvement of which the Collector is the *ex-officio* Chairman and the President of the District Local Board is the Vice-Chairman. The Committee normally includes Government officers representing the social service departments of Government, representatives of local bodies, such as Local Boards and the like, and persons concerned with social service, education, charitable organisations, etc.

Under the District Executive Committee, work is carried on in the talukas of the districts, either through the existing Taluka Development Associations or by the formation of Taluka Committees. In villages themselves Panchayats established under the Village Panchayats Act or local committees are made use of. Particular subjects, as for instance, education, co-operation, agricultural improvements, etc., can also be dealt with by the appointment of special sub-committees.

In each Division the Commissioner secures the general co-ordination of the village improvement work being carried on by the District Executive Committees in co-operation with the various Departments of Government. District Executive Committees have been formed in all districts of the Presidency proper, except the Bombay Suburban District, where the work of village improvement is entrusted to the District Local Board. Taluka and village committees have also been established in most talukas and villages. Up to the present secretaries have been appointed in eleven districts to carry on propaganda and organise activities in the districts, the necessary financial provision for them being made by Government.

The manner of development has not been the same in all districts. In some a start was made at the top with District Executive Committees, from which

the movement spread downwards to the talukas and villages, while in other districts there was concentration on villages from the start, certain villages being selected to test the experiment or to serve as models.

The Local Government recommended and the Government of India agreed that the greater part of the grant should, in the case of Bombay, be utilised for furthering this scheme which has already produced striking results. Out of the Rs. 6,06,000 to be devoted to the scheme, Rs. 2,00,000 will be distributed to District Officers for expenditure on the objects which the scheme seeks to promote, and of this Rs. 2 lakhs, Rs. 1 lakh will be reserved for villages where the scheme has not been introduced. The balance will be distributed through District Committees and other local bodies. Rs. 55,000 out of the provision for Sind will be utilized for agricultural and industrial improvement.

The following schemes will be confined to the Presidency proper and will be in charge of the officers of the departments concerned.

(2) The scheme for the improvement of buffaloes will be spread over 5 years. It is proposed to employ the agency of the village improvement committees or other similar bodies, or, where such bodies are not available, the agency of Government officials. One inspector and 4 non-graduates will be specially employed.

(3) The scheme for the improvement of poultry is in two parts. Cocks of improved breed will be introduced in a certain number of villages, and a limited number of premiums will be awarded to poultry farmers who undertake to abide by certain conditions, one of which is that their eggs will be sold locally for breeding purposes at controlled prices.

(4) It is proposed to institute a pioneer co-operative society in order to improve the marketing of eggs.

(5) For the improvement of preserving and tanning of hides two touring demonstration parties will be employed for a period of 3 years.

(6) It is proposed to stock 5 or 6 selected tanks with small fish from the Madras Presidency. Little or no recurring expenditure is anticipated when once the tanks have been stocked.

Bengal.

| | Rs. |
|---|-----------|
| (1) Establishment of seed, paddy and crop demonstration centres .. | 1,09,000 |
| (2) Improvement of cattle and of fodder crops | 1,75,000 |
| (3) Improvement of poultry | 500 |
| (4) Propaganda in the districts—loud speakers and gramophones .. | 20,000 |
| (5) Wireless transmission in Midnapore district | 82,000 |
| (6) Improved marketing—jute and paddy | 50,000 |
| (7) Coir spinning and weaving | 40,700 |
| (8) Union Board dispensaries and improvement of water supply .. | 3,50,000 |
| (9) Attachment of agricultural farms, etc., to secondary schools, and provision of play-grounds and village halls | 1,80,000 |
| (10) Boy Scouts, Girl Guides and Bratachari | 20,000 |
| (11) Minor drainage and flushing schemes | 3,30,000 |
| (12) Chittagong Hill Tracts | 25,000 |
| (13) Discretionary grants to Commissioners and District Officers .. | 2,17,800 |
| Total .. | 16,00,000 |

(1) The spread of improved paddy seed is hindered by the heavy cost of distribution. Local centres have therefore been opened for the multiplication and distribution of better types of seed by 114 Union Boards in Bengal. More Boards are willing to provide land for opening such centres. It is therefore proposed to extend the scheme to 450 Union Boards in all. 8 acres will be provided at each centre, 5 for multiplication of seed and 3 for general demonstration. The Union Boards will pay for the cost of cultivation and recoup themselves from the money received for the produce.

(2) There are at present 2 temporary live-stock officers working in Bengal and 3 more will now be employed. These officers will work in 10 districts, in each of which a temporary Veterinary Assistant Surgeon will also be employed on the work. It is proposed to introduce 100 pure bred bulls in each of the districts and thus to promote the development of an indigenous breed of cattle and eliminate the necessity of importing bullocks from outside the Province, which costs Bengal at the present time Rs. 50 lakhs a year.

It is also proposed to introduce on a larger scale the cultivation of Napier grass as green fodder for cattle. This grass can be grown on areas at present not under cultivation; one acre of such grass will keep 8 animals fully supplied. It is proposed to introduce sufficient cuttings of Napier grass to grow 100 acres in each of the 10 districts at a total cost of Rs. 10,000.

The total cost of giving effect to the Local Government's schemes under this head is Rs. 1,90,000 of which the Local Government will themselves provide Rs. 15,000.

(3) The nucleus of the scheme for improving poultry in Bengal will be the Dacca Farm, which is under the charge of a specially trained officer. In each of the 10 districts mentioned above 20 selected mating birds will be supplied from this farm to villages which agree to get rid of their old male stock. Three centres have already been developed on these lines in Bengal as an experiment, and the experiments appear to have been successful.

(4) One of the most effective and established methods of rural uplift propaganda in the districts is through mass meetings. It is proposed to provide 30 loud speakers with dry cell batteries, 30 gramophones and 30 sets of musical records for use with the loud-speakers. It is proposed to use this grant to meet the initial cost and the recurring cost for one year.

(5) It is proposed to establish a rural broad-casting service in Midnapore district with a medium-wave transmitter installed in the Midnapore Court building. From this will be served 50 receiving sets installed in different parts of the district. The transmitter will be used for broadcasting the amusements programme from the Calcutta Broadcasting Station, and also to broadcast from Midnapore in the local dialect news, instructions and propaganda talks of the kind required by the people of the district and in the form likely to appeal to them. The station will be worked for the 6 months of the year during which the reception of the programme can be guaranteed to be satisfactory. The scheme will be worked for 2 years, at the end of which it is hoped to establish it on a business footing.

(6) The Government of Bengal have been considering a scheme estimated to cost Rs. 1½ lakhs for establishing jute-marketing and paddy-marketing

societies. There is a general desire for some scheme for the improved marketing of agricultural products in Bengal but past experience has indicated the need for caution. The Local Government therefore intend to use Rs. 50,000 of this grant for opening one jute-marketing and one paddy-marketing society by way of further experiment. A special officer will be attached to the Agriculture and Industries Department of the Local Government to work out the scheme.

(7) A prolific supply of cocoanuts is available in the deltaic districts of Bengal the fibre of which is at present used only for fuel. But there is the prospect of its being put to a more remunerative use as string, rope, matting, tatties, etc. The articles of these kinds at present sold in the bazars of Bengal come mostly from Southern India. An experimental coir-making and spinning demonstration party was created in November, 1934, which showed that there is a reasonable prospect of developing a local industry. It is therefore proposed to organise 4 demonstration parties with suitable equipment, to tour the deltaic areas and demonstrate the method of turning cocoanut fibre to economic use. The sum which the Local Government propose to utilise for this purpose will enable this experiment to be conducted for 3 years.

(8) The Local Government propose that half this sum of Rs. 3½ lakhs, should go towards the establishment of Union Board dispensaries, and the other half towards the improvement of rural water-supply. But if local opinion in any district does not favour dispensaries, any amount which is made available thereby will be diverted from dispensaries to water-supply in that district. A cheap form of dispensary with brick walls and corrugated iron roof will be erected, provided with a tube well if required. No such dispensary will be opened unless there is a definite assurance that the recurring expenditure involved will be forthcoming from local sources.

In the distribution of the money available for improved water-supply those areas in which cholera is endemic will be given preference. Money will be allotted to specific projects by the District Officers in consultation with the Chairmen of District Boards.

(9) It is proposed to attach a farm, dairy or workshop to selected schools in the province so as to provide a vocational or rural bias and keep the schools in touch with the rural population. This will be the first step in the Government of Bengal's new policy of introducing a rural bias in education.

The Local Government also propose to establish village halls, with small libraries attached, in certain selected villages to form the centres of village life. It is also proposed to construct and equip village play grounds in connection with and in close proximity to the village halls. It is also proposed to acquire and prepare playgrounds for selected schools, particularly girls' schools, many of which have at present no playground or open space attached to them.

It is hoped to establish a village hall and playground in each sub-division. The Local Government have been asked to consider whether some economy could not be effected by utilising the school building itself for the purpose of a village hall and library.

(10) A sum of Rs. 20,000 is to be spent on approved schemes for the promotion of the Boy Scouts and similar movements.

(11) Money will only be spent on minor drainage and flushing schemes examined and approved by the Local Government's technical experts. In selecting projects the following principles will be observed as far as possible :

- (a) that the expenditure is calculated to effect a permanent improvement,
- (b) that the schemes are schemes which are really wanted by the people themselves,
- (c) that money will be available locally for maintenance if required.

(12) This sum will be expended on water-supply, drainage (sanitary and agricultural), and communications (including wooden bridges).

(13) The balance of the grant will be used to augment the discretionary grants of Commissioners of Divisions and District Officers, who will be instructed that these additional sums are to be spent only on supplementary projects within the intention of this grant.

United Provinces.

| | Rs. |
|--|-----------|
| (1) Main Scheme | 7,00,000 |
| (2) Agricultural schemes | 3,28,000 |
| (3) Public Health and medical relief schemes | 3,16,000 |
| (4) Industrial schemes | 70,000 |
| (5) Publicity and propaganda schemes | 36,000 |
| (6) Kumaun district | 50,000 |
| | 15,00,000 |

(1) The "Main Scheme" referred to is the Local Government's scheme of rural development, the object of which is to promote the spirit of selfhelp in the villages. To this end the Local Government propose to employ for about two years a special staff consisting of:

- (i) at least six organisers in each one of the 45 districts (the three hill districts of Kumaun being excluded);
- (ii) one inspector in each district to guide and supervise the work of the organisers.

Each organiser will work more or less on the lines on which the "Village Guides" work in connection with the co-operative movement. It is expected that he will be able to look after about 12 villages; but this number may later on be increased. The organisers as well as inspectors will, before appointment, undergo special training in sanitation and hygiene, agricultural practice and co-operative methods. This special staff will be under the control of the District Officer. There will be district rural development associations with consultative functions. For the execution of minor local works of public utility a sum of at least Rs. 5,000 (on the average) will be placed at the disposal of each of the 45 District Officers.

For the initial two years the cost of the staff and the district allotments, together with a small reserve for unforeseen opportunities, is estimated to amount to Rs. 9 lakhs. Out of this the Local Government propose to provide Rs. 2 lakhs, which will be utilised towards the cost of the staff. The balance, viz., Rs. 7 lakhs, will be debited to the Central Government's grant.

(2) It is proposed to spend Rs. 1,20,000 in making grants-in-aid, up to one-third in each case, towards the cost of sinking tubes in existing wells. 3,000 such borings will be carried out over a period of two years in areas unserved by canals or tube wells. An extra sum of Rs. 18,000 is added to provide guarantees against cases of failure.

A sum of Rs. 79,000 will be spent in constructing embankments to prevent soil erosion and to retain moisture, particularly in the eastern districts. For the construction of these embankments a tractor will be purchased which at other times of the year will be utilised for the eradication of *kans* grass. It is also hoped to excavate 250 temporary reservoirs, towards which Government will contribute up to one-third of the cost, subject to a maximum of Rs. 300 in each case.

To develop the culture of fruit in the Province, grafts, plants and seed will be supplied to villages included in the "Main Scheme". A fruit chowdhuri will be employed in each district. The total cost of these measures will amount to Rs. 20,000.

Rs. 80,000 will be spent partly in buying up inferior seed in the villages and replacing it by good seed supplied by the Agricultural Department, and partly in improving the system of distribution of departmental seed. This will involve the subsidizing of privately managed seed stores and also, if necessary, of developing the system of seed multiplication.

Rs. 3,000 will be utilized in the establishment of poultry farms at Jaleswar and Etawah, and Rs. 8,000 on "goat improvement" by the maintenance and distribution of suitable bucks.

(3) The Local Government propose to establish nine health units, each of which will cover a compact and exclusively rural area of about 50 villages with a population of about 30,000 at an estimated cost of Rs. 11,000 a year. They propose also to introduce a scheme (estimated to cost Rs. 2,540 per unit per year) for medical relief in conjunction with these health units, and also a scheme estimated to cost Rs. 36,000 a year for the supply of village medicine chests in villages included in the Main Scheme.

The total estimated cost during the initial two years is Rs. 3,16,000.

(4) The Local Government consider that the development of marketing is one of the most promising lines for giving help to village industries. With this object a sum of Rs. 8,000 will be set apart for the existing Government Emporium of Arts and Crafts at Lucknow to cover the initial outlay on preparing catalogues, price lists, samples, etc., and as insurance against the risk of possible losses from the marketing of products of village industry. It is also proposed to subsidise local retail shops to induce them to sell articles of local manufacture, the annual subsidy being Rs. 50 each. It is proposed to establish co-operative arrangements for the marketing of *ghi* in the five

important *gñi* producing districts of Etawah, Agra, Muttra, Aligarh and Etah, and to subsidize private associations at Hathras and Agra for the testing and control of the purity of *gñi* on the lines of the institution which has already been established at Etawah. It is also proposed to expend a further Rs. 40,000 under this head, but the Local Government's final recommendations have not yet been received.

(5) In order to ensure abiding results from rural uplift work, the 3,240 villages to which the Main Scheme is to apply will receive *gratis* newspapers, monthlies and reprints, featuring rural uplift articles and news, at least once a week; the estimated cost of this is Rs. 30,000 for the initial two years.

A hundred sets of double-sided records pertaining to rural uplift will also be prepared at a cost of Rs. 6,000.

(6) The "Main Scheme" will not be applied to the hilly region comprised in the Kumaun Division. It is, however, proposed to spend Rs. 50,000 for its benefit, and suitable schemes are under preparation.

Punjab.

| | Rs. |
|---|-----------------|
| (1) Consolidation of holdings | 1,04,000 |
| (2) Sanitary improvements in 31 villages in Gujrat district | 9,000 |
| (3) Bore-hole latrines in Shakargarh tashil of Gurgaon district | 10,000 |
| (4) Water-supply schemes | 2,25,000 |
| (5) Serum cellars | 20,000 |
| (6) Reconstruction of veterinary hospitals in Rohtak district | 12,000 |
| (7) Construction of 10 veterinary hospitals | 60,000 |
| (8) Broadcasting scheme | 48,000 |
| (9) Tanning scheme | 76,000 |
| (10) Fruit growing | 62,000 |
| (11) Well-boring | 50,000 |
| (12) Cinema films and loud-speakers | 59,000 |
| (13) Sheep development | 15,000 |
| (14) District Officers' discretionary grants | 1,00,000 |
| Total | 8,50,000 |

(1) It is universally admitted that no measure can confer greater benefit on *zamindars* in the Punjab than consolidation of their holdings. The work is at present progressing in 11 districts at the rate of 60,000 acres a year through the agency of co-operative societies formed for the purpose, under the guidance and supervision of a staff of 8 inspectors and 104 sub-inspectors employed and paid by Government, assisted by a staff of 3 assistant inspectors and 22 sub-inspectors paid for from the contributions of applicants for consolidation. It is now proposed to employ a special consolidation officer and 8 inspectors and 88 sub-inspectors in order to expedite the progress of the work. Any sums which may be collected from *zamindars* who are benefited will be used to employ additional staff.

(2) These improvements will consist in the provision of sullage drains, pavements of dry brick on edge, hand-pumps, repairs and roofing of percolation wells, etc. The villages have been selected in consultation with the district officers. One-third of the cost will be debited to this grant, one-third to the district boards, and one-third to the *Islah-o-Taraqqi* committees of the villages.

(3) The Shakargarh tashil in Gurgaon district is infected with hook-worm disease. The construction of bore-hole latrines is intended to prove to the people their advantage in preventing re-infection from the soil. The money will be spent in purchasing augers and squatting seats. The further expenditure involved will be met by the district board.

(4) The water-supply schemes will provide a protected supply of drinking water in selected villages in Kangra, Shahpur, Mianwali, Dera Ghazi Khan and Jhelum districts, where it is particularly required.

(5) 100 serum cellars will be constructed at suitable centres so as to facilitate the prompt despatch of sera and vaccines on the occasion of outbreaks of cattle disease. The recurring expenditure involved will be met by the district boards.

(6) Great damage was done to the veterinary buildings in Rohtak district by floods in 1933, and the district board cannot afford to restore them. This will now be done at the expense of this grant.

(7) 10 new veterinary hospitals will be constructed on a standard plan in the areas covered by the Dhanni and Hariana cattle-breeding schemes, where the district boards are too poor to afford the cost. The boards will, however, be liable for the recurring expenditure.

(8) For the instruction and entertainment of the people of the districts nearest to the Delhi Broadcasting Station, namely, Rohtak, Karnal and Gurgaon, it is proposed to instal 40 receiver sets and maintain them for two years. Arrangements will be made in consultation with the Government of India to broadcast suitable programmes from Delhi to the villages, under the control of the Commissioner of Rural Reconstruction.

(9) The Punjab is one of the principal centres in India for the export of goat skins and has practically a monopoly of the export of lamb skins. Approximately 8 per cent. only of the skins exported are tanned in the Punjab. Punjab hides also are of good quality and there is a local supply of tanning material. It is proposed to create a central tanning institute for research and demonstration, with two travelling demonstration parties.

(10) Rs. 47,000 will be spent in producing and distributing reliable fruit nursery plants at cheap rates and on a large scale, and Rs. 15,000 on installing a fruit preservation plant on a semi-commercial scale for experimental and demonstration purposes. To achieve the former object existing nurseries will be extended and new nurseries opened: after two years the scheme should be self-supporting. The other part of the grant will be spent in opening a small canning plant at Lyalpur, which is regarded as of primary importance to the Punjab fruit industry. It is hoped that after the first year the recurring expenses of this factory will be covered by the receipts.

(11) Experience in the Province has shown that the boring of wells increases their yield by anything up to 300 per cent. In addition to the cost of the pipes and strainers left in the wells after boring, Government at present charge 12 annas a foot for all bores, whether successful or not. In order to assist and encourage the public in this direction, they now propose to remit the charge of 12 annas a foot for 2 years. The cost is estimated at Rs. 50,000.

(12) Cinema shows are extremely popular and useful in the Punjab and the public are prepared to pay for attending them. The local Government already possess two touring outfits; three more are required to provide one for each Division and another as a reserve. In addition, more and better films are required for instructional purposes: it is proposed to spend Rs. 36,000 on films of this kind, and Rs. 4,000 on films for entertainment. Two loud-speaker sets will also be provided.

(13) The sheep development scheme will be confined to the 6 districts of the Multan Division. The unit of the scheme will be the flock consisting of 1 ram and 50 ewes. Breeders at selected centres will be provided with one or more such units as the lessees of Government on the understanding that they will carry out the instructions of the Civil Veterinary department, keep no mature rams in their flock unless approved by the department, and only dispose of their surplus animals at prices fixed by the department.

(14) The District Officers' discretionary grants will be used for carrying out petty works of local improvement.

Burma.

| | Rs. |
|---|----------|
| (1) Rural development centres | 3,35,000 |
| (2) Deputy Commissioners' discretionary grants .. | 50,000 |
| (3) Anti-malarial measures .. | 1,15,000 |
| Total .. | 5,00,000 |

(1) The object of the scheme for rural development centres is partly the formation of model village groups from which it is hoped that the idea of rural uplift will gradually spread to surrounding areas, and partly to furnish a means by which each department can experiment in intensive development. It is proposed that four rural development centres should be opened in different parts of Burma. Each centre will comprise a typical group of villages with an area of probably 30 square miles, but varying according to density of population. Within this unit expenditure will be incurred in four principal directions.

(i) *Public Health.*—There will be a dispensary and health centre. Steps will be taken to improve the record of vital statistics, investigation and control of diseases, sanitation, and propaganda and to introduce maternity and child welfare clinics.

(ii) *Education.*—School buildings will be increased and improved. Probably 6 primary schools and one central school with a High department will be required. Compulsory education will be introduced if possible, and special

attention will be paid to the possibilities of technical education. Playing fields will be provided and also a library.

(iii) *Agriculture*.—A farm school will be established if there is not one already in the vicinity, and short courses will be given in practical agriculture to sons of cultivators with special reference to the improvements effected by the Agricultural Department. There will also be a special Agricultural Assistant who will conduct an intensive campaign within the centre in order to demonstrate agricultural improvements, and attempts will also be made to improve the marketing of crops.

(iv) *Veterinary*.—Increased facilities will be provided for inoculation, etc.

General work, such as improvement of tanks, wells, roads, etc., will also be undertaken in each unit. It is intended to use the assistance of the Co-operative Department and various non-official agencies.

It is hoped that as the experiment proceeds, the need for supervision and the cost will decrease, and that eventually the control of the units will be taken over by the local bodies. Until then the estimate of expenditure assumes that the work will continue for 4 years.

Each centre will be under the control of an Executive Officer who will be advised by a local committee consisting of officials and non-officials.

(2) The sum set aside for Deputy Commissioners' discretionary grants will be utilised for the improvement of village wells and tanks, for roads and small bridges, for improving village schools and assisting village libraries, for providing recreation grounds or equipment, for assisting poor communities to start boy scouts or girl guides associations, and to encourage rural industries.

(3) The sum provided for anti-malarial measures will be expended on the extensive issue of cinchona febrifuge over a period of 5 years, and on the general free issue of quinine in schools in areas where malaria is endemic. Larvae-eating fish will also be bred at certain centres near the malarial areas.

Bihar and Orissa.

| | Rs. |
|---|-----------|
| (1) Village communications | 6,00,000 |
| (2) Rural water-supply | 5,00,000 |
| (3) Schemes for draining <i>chaurs</i> and desilting tanks in North Bihar | 1,00,000 |
| (4) Village welfare | 50,000 |
| | 12,50,000 |

(1) The improvement of village communications is one of the most urgent needs of the province, particularly in order that the cultivator may be able to dispose of his crops more easily and profitably. It is therefore proposed to spend Rs. 6 lakhs on the making or improving of cart tracks which will connect the villages with main roads and so with markets and railways. It is also hoped that this expenditure will further increase the utility of the marketing officers recently appointed by the Local Government. The intention is

that the work should be carried out under the direct control of the District and Sub-divisional Officers, who will invoke the assistance of the leading men in the area where any particular project is undertaken and get them to make themselves responsible for the actual supervision of the work. The villagers themselves will be encouraged to co-operate by making free gifts of the land required for these village roads and by providing labour free or on reduced wages. Preference will in all cases be given to schemes where practical co-operation of this sort is forthcoming.

(2) The need for improved rural water-supply is universally recognised. More wells and more village irrigation dams are required. This work will be carried out on the same lines as the projects for the improvement of village communications, and special attention will be paid to the needs of the depressed classes.

(3) The necessity for draining certain of the *chours* in North Bihar has frequently been pressed on the Local Government for years past. The present is a suitable opportunity to undertake some of the more promising of these schemes through the agency of the Irrigation Department. Part of this provision will also be used for desilting tanks in North Bihar; the expenditure incurred in desilting tanks in other parts of the Province will be met from the allotment for rural water supply.

The choice of the actual schemes to be carried out under heads (1), (2) and (3) will rest with the District Officers after canvassing the views of the local public.

(4) A sum of Rs. 50,000 will be placed at the disposal of the Hon'ble Education Minister for experimental village-welfare schemes. These schemes will not involve any recurring commitments, but they will aim at setting up village organisations which will be capable of self-development in future if the experiments meet with success. The programme of work which these village organisations will set before themselves will include the introduction of improved methods of agriculture, the encouragement of cottage industries, the improvement of village sanitation, the provision of good drinking water, etc.

Central Provinces.

| | Rs. |
|---|-----------------|
| (1) Rural water supply | 1,20,000 |
| (2) District Officers' discretionary grants | 1,00,000 |
| (3) Welfare of aboriginal tribes in scheduled districts | 40,000 |
| (4) Dispensary buildings in villages | 15,000 |
| (5) Experiments in poultry farming | 10,000 |
| (6) Better bulls for District Councils | 30,000 |
| (7) Farm in Mandla district | 30,000 |
| (8) 5 additional debt conciliation boards | 1,00,000 |
| (9) Cinemas on lorries for demonstration work | 20,000 |
| (10) 2 tractors for use in Saugor district | 15,000 |
| (11) Storage accommodation for cultivators' produce | 20,000 |
| Total | 5,00,000 |

(1) The Local Government report that there is a constant demand for assistance in the provision of proper water-supply in villages, especially in certain tracts of Berar, and that the amount which could be spent for this purpose is almost unlimited.

(2) The discretionary grants placed at District Officers' disposal are for small works of village utility, the carrying out of which will greatly add to the amenities of rural life. Instances of the kind of works contemplated by the Local Government are the construction of small culverts over bad *nala* crossings, repairs to village tanks and wells, construction of fair weather roads and building of village rest houses.

(3) The grant for the welfare of aboriginal tribes will be devoted to the development of certain areas inhabited by backward and aboriginal tribes with special reference to improved water-supply and educational and medical facilities.

(4) 27 cheap plan dispensaries have already been established and a number of schemes are still pending on account of financial stringency. The policy of the Local Government is to give a non-recurring grant equal to half the estimated cost of the dispensary building and to provide an Assistant Medical Officer and a small contribution towards maintenance. The balance of the cost of the buildings and of the recurring charges is met locally. The sum provided will enable more institutions of this kind to be opened.

(5) A scheme has been prepared by the Department of Agriculture for the distribution, free of cost, of pure bred cockerels from Government farms, and the grant proposed is to bring this scheme into effect. It is hoped that particularly in the neighbourhood of large towns an industry subsidiary to agriculture will spring up which will add considerably to the village income.

(6) It is proposed to supply a better class of bull free of cost to the District Councils for breeding purposes. The Councils will be required to keep the animals suitably fed and in good condition.

(7) Large quantities of seed are imported every year into Mandla district. The provision of Rs. 30,000 will cover the non-recurring and recurring expenditure for one year of a seed farm in that district. Thereafter the Local Government will assume responsibility. The scheme was approved by the Board of Agriculture in 1923, but the Local Government have never been able to give effect to it.

(8) A Debt Conciliation Act was passed in this Province in 1933, and the first two debt conciliation boards were established in July, 1933. The Act provides for the conciliation of accumulated debts by a debt conciliation board by means of mutual agreement between debtors and creditors. So far six boards have been at work, and four more are being added during the current year. But for the financial difficulty more boards would have been established. The six boards already at work have reduced a total debt of Rs. 63·57 lakhs to Rs. 36·38 lakhs. 27 to 55 per cent of the original debts has been remitted. Easy instalments, worked out according to the paying capacity of the debtor and generally not exceeding the amount of the annual rent payable by him, have been fixed for the reduced debt. The entire debt is to be repaid in such instalments in periods of 10 to 12 years. The area of operations of a board

generally covers one or two tahsils, and it is expected to complete its work in about 2 years. The annual cost of each board is Rs. 10,000. The cost of one board thus comes to Rs. 20,000.

(9) A lorry and cinema outfit for demonstration purposes was purchased in 1928-29 and the demonstrations given by it have been much appreciated by the public. It is proposed with this grant to purchase three more lorries. These lorries will be accompanied by officers of the Agricultural Department and they will also be used by other departments which are concerned with village uplift.

(10) It is proposed to provide tractors for ploughing up land which has been thrown out of cultivation by the growth of *kans* grass. The land will be ploughed at cost price so that the cultivators may get the benefit of the gift of the tractors from the Government of India.

(11) It is proposed to construct godowns in market towns where cultivators can store their produce temporarily when they are faced with the necessity of disposing of it at disadvantageous rates. One or two experimental godowns will be constructed in the first place. No recurring expenditure is anticipated.

Assam.

| | Rs. |
|---|-----------------|
| (1) Rural water-supply | 3,00,000 |
| (2) Village roads | 1,00,000 |
| (3) Discretionary grants to Divisional Commissioners .. | 40,000 |
| (4) Village sanitation | 40,000 |
| (5) Purchase of pumps for irrigating <i>boro</i> paddy lands .. | 20,000 |
| Total | 5,00,000 |

(1) The improvement of the rural water-supply in Assam is a crying need which has been urged again and again in the local Legislative Council. This is a particularly suitable opportunity for effecting improvements in this direction for which it has hitherto been impossible to find funds. It is proposed to sink wells or (if this proves absolutely necessary owing to the failure of wells) to dig tanks as may be dictated by local conditions. The money will be allotted by the Local Government on conditions approved by the Public Health Department. The recommendations of the District Officers will be made after consultation with *ad hoc* committees constituted in each sub-division. This arrangement will be adopted in connection with village roads and village sanitation also.

(2) The sum allotted for village roads will be distributed by the Divisional Commissioners after consultation with District Officers and local boards. The allotment of money will be conditional on the local boards concerned undertaking to maintain the roads on completion at their own cost.

(3) The discretionary grants will be administered by the Divisional Commissioners for purposes of public utility and works of petty local improvement.

(4) The provision for village sanitation will be given out in the form of grants by Commissioners to village authorities or other suitable agencies.

(5) In certain low-lying areas of the Surma valley the *aman* or long stemmed paddy crop has proved very insecure in recent years owing to recurring floods, and it is expected that the condition of the people will be much improved if they are enabled to grow another (spring) variety of long stemmed paddy, called *boro*, which can be harvested before the flood season. The Agricultural Department has been working on this problem and experiments have shown that one portable pump can irrigate 800 bighas in a month. It is proposed to purchase 10 portable pumps for use in this valley. Experiments with a pump will also be made in suitable areas of the Assam valley. They will be worked under the charge of an Inspector. After the crop has been harvested, it is intended that 1½ maunds of paddy per bigha should be recovered as hire for the use of the pump.

North-West Frontier Province.

| | Rs. |
|--|----------|
| (1) Drinking water supply | 1,20,000 |
| (2) Discretionary grants to Deputy Commissioners | 60,000 |
| (3) Village roads | 10,000 |
| (4) Anti-malarial measures including purchase of quinine | 15,000 |
| (5) School farms | 10,000 |
| (6) Marketing facilities for local industries | 3,000 |
| (7) Damming of torrents in D. I. Khan District | 10,000 |
| (8) Headworks on the Bara River in Peshawar District | 5,000 |
| (9) Industrial shop | 7,000 |
| (10) Other miscellaneous schemes | 30,000 |
| Total | 3,00,000 |

(1) In certain parts of the province drinking water has to be fetched during the hot season from as far as twelve miles away, and the necessity for improvement in this respect is continually being pressed upon Government. The difficulty is particularly acute between Dera Ismail Khan and Tank, in the sandy Marwat tract in Bannu, in the Khattak country of Kohat District and at Mansehra in the Hazara District.

(2) Of the District Officers' discretionary grants a part will be earmarked for expenditure on schools, and the balance will be spent on providing materials for minor schemes, such as culverts and embankments, for which the villagers themselves are prepared to provide the labour. It has been decided to allot Rs. 15,000 to each district and Mardan sub-division.

(3) This amount will be spent in small sums, distributed as widely as possible throughout the districts on small improvements to existing roads and construction of short tracks to connect villages with main roads. It is intended that this money should be spent on materials only and that labour should be obtained from the villages concerned.

(4) This sum will be earmarked for the purchase of quinine and cinchona febrifuge for distribution among the rural population through hospitals and travelling dispensaries throughout the province.

(5) With the sum of Rs. 10,000 provided for school farms, it is proposed to buy plots of land adjoining schools for the purpose of giving the pupils practical training in agriculture and gardening. This system has given satisfactory results in the adjoining province of the Punjab.

(6) For the improvement of marketing it is proposed to construct small *mandis* at selected places and to encourage the exhibition of locally made articles.

(7) The irrigation scheme in Dera Ismail Khan District is intended to control the flow of flood water in certain hill streams which is at present unmanageable though of vital importance to cultivation.

(8) The scheme on the Bara River is for the purpose of assisting the villagers to make *pucca* distribution heads instead of the existing *kutchha* heads.

(9) To encourage and develop minor industries of the province (blanket making, embroidery, basket work, pottery, copper work, etc.) a retail shop has been opened in the Peshawar Cantonment. The buying organisation will comb the province for suitable wares, find the best markets in India, and possibly Europe, and establish direct relations with the producers. The shop is expected to be a self-supporting concern within a period of three to four years. The scheme will be subsidized from provincial revenues as may be necessary in future years.

(10) The Local Government are considering other schemes calculated to benefit the rural areas and no expenditure on these schemes will be incurred till the Government of India have accorded approval.

Coorg.

| | Rs. |
|----------------------------------|--------|
| (1) Water supply | 32,500 |
| (2) Cattle breeding | 2,500 |
| (3) Discretionary grants | 15,000 |
| Total | 50,000 |

(1) Of the provision for water supply, Rs. 10,000 will be spent on constructing 28 draw-wells to provide drinking water for the villagers in selected villages; the balance of the cost of constructing the wells will be met by subscriptions of the residents.

Rs. 15,800 will be spent on repairing 64 tanks which have silted up and ceased to be useful. These tanks are required for the purpose not only of providing drinking water for men and cattle but for irrigation also. The local people have promised to supply free labour to complete the work.

Rs. 6,700 will be spent on excavating or repairing 12 irrigation channels. Each of these channels is designed to irrigate over 100 acres of wet cultivation. The villagers will supply free labour.

(2) The provision for cattle breeding will be spent in accordance with the recommendations of the Animal Husbandry Expert of the Imperial Council of Agricultural Research.

(3) The discretionary grant of Rs. 15,000 will be at the disposal of the Commissioner, and is intended for improving village communications, for anti-malarial work and improvements in village sanitation, as well as for assistance to certain occupations subsidiary to agriculture.

Delhi.

| | Rs. |
|---|--------|
| (1) Wells (a) repairs | 24,000 |
| (b) new | 8,000 |
| (2) Re-modelling village | 3,000 |
| (3) Roads and communications | 10,000 |
| (4) Deputy Commissioner's reserve | 5,000 |
| | <hr/> |
| Total | 50,000 |
| | <hr/> |

(1) A survey of wells throughout the rural area administered by the Chief Commissioner of Delhi has been carried out by officers of the Public Health Department. In order to ensure the supply of drinking water, wells which have fallen into disrepair will be repaired and new wells will be constructed where they are urgently required.

(2) The Assistant Director of Public Health has prepared a scheme for re-modelling a small village by the main Delhi-Najafgarh Road. It is hoped to make this village a valuable object-lesson to the public.

(3) It is proposed to repair certain *kutch*a roads which are important arteries of communication in the rural area and which have fallen into such serious disrepair that they are at present of little use.

(4) Rs. 5,000 will be placed at the disposal of the Deputy Commissioner who during his cold weather tour will distribute this sum in supplying urgent necessities in the villages.

Ajmer-Merwara.

| | Rs. |
|--|--------|
| (1) Improvement of village roads and construction of small bridges and culverts. | 23,000 |
| (2) Propaganda for improvement of agriculture | 23,000 |
| (3) Improvement of live-stock | 1,000 |
| (4) Discretionary grant at the disposal of the Commissioner | 3,000 |
| | <hr/> |
| Total | 50,000 |
| | <hr/> |

(1) Rs. 23,000 will be spent on improving 97 miles of the more important village cart tracks, so as to convert them into ordinary fairweather roads.

(2) For the purpose of agricultural propoganda 3 Agricultural Assistants with 3 demonstrators will be appointed, one for each of the 3 sub-divisions. The function of this staff will be to give practical demonstrations in the cultivators' fields of improved methods of cultivation, and to supervise the distribution of good seed from seed depots to be opened for the purpose.

(3) 20 bulls will be purchased and maintained at different places in the district under the control of the veterinary staff of the district board.

(4) Rs. 3,000 will be placed at the disposal of the Commissioner for petty works of local improvement.

TRANSFER OF BRITISH SERVICE OFFICERS TO THE INDIAN ARMY.

43. THE HONOURABLE MR. V. V. KALIKAR: With reference to the communiqué recently issued by the Government of India regarding the transfer of 100 British Service officers to the Indian Army, will Government be pleased to state :

(a) Whether these officers have been offered very attractive terms, and, if so, the cost of this attractive scheme ?

(b) Why no Indian officers were recruited between the years 1921 and 1930 in order to make up the shortage of British candidates ? and

(c) Whether Government propose to follow the policy of recruiting Indian officers to make up the shortage, if any, of British candidates in future ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) Financially, the terms are in no way more attractive than usual, and no extra cost is involved.

(b) Indian officers were recruited during those years to the full extent of the vacancies allotted to India at Cadet Colleges in England. At that time there was no other institution at which they could be trained, and at that time Government were not prepared to accelerate the experiment which this recruitment represented.

(c) The question is hypothetical, but I may say that a situation like the present one is not likely to arise in future unless there is another Great War.

NUMBER OF CLERKS RECRUITED FROM THE INDIAN ARMY CORPS OF CLERKS FOR ARMY HEADQUARTERS.

44. THE HONOURABLE MR. JAGADISH CHANDRA BANERJEE: (a) Will Government please state the number of clerical vacancies at Army Headquarters filled by members of (i) British Wing and (ii) Indian Wing of the Indian Army Corps of Clerks since the introduction of this new organization ?

(b) Is it a fact that before the introduction of the Indian Army Corps of Clerks for Army Headquarters service there was no racial discrimination in regard to pay and prospects between British and Indian clerks in Army Headquarters offices.

(c) Is it a fact that in the Indian Army Corps of Clerks for Army Headquarters service there are differential rates of pay on racial grounds, i.e., lower

rates for Indians and higher rates for Europeans performing the same duties? If so, will Government be pleased to state the reasons therefor?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) A statement is laid on the table.

(b) When all the clerks at Army Headquarters were civilians, there was a common scale of pay—but British soldier clerks in the second division always received a higher starting pay than Indians.

(c) There are now different rates of pay for the military and civilian sides of the Indian Army Corps of Clerks, and the difference is due to the fact that civilians of the type required can be recruited on much lower rates of pay than soldiers. It is not true that they all perform the same duties.

THE HONOURABLE MR. HOSSAIN IMAM: Will Your Excellency consider the advisability of having civilian clerks?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I should like notice of that question.

Statement giving the information required in part (a) of question No. 44.

Number of clerical vacancies at Army Headquarters filled by members of the Indian Army Corps of Clerks since 1st January, 1934:—

| <i>Soldiers.</i> | <i>Civilians.</i> |
|-------------------|--------------------|
| 24 | 66 |
| (9 on probation). | (48 on probation). |

MOTION FOR ADJOURNMENT *RE* DESPATCH OF TROOPS TO ABYSSINIA.

THE HONOURABLE THE PRESIDENT: Order, order. Honourable Members, I have received notice of a Motion for Adjournment from the Honourable Rai Bahadur Lala Mathura Prasad Mehrotra in order to discuss a definite matter of urgent public importance. As I think that the Motion is in order, I will first read it and then take the sense of the Council whether the Motion should be allowed or not. The notice reads thus:

“ Sir, I beg leave to move for an adjournment of the House to discuss a definite matter of urgent public importance, namely, the despatch of troops from British India to Addis Ababa in Abyssinia.

Yours obediently,

(Sd.) MATHURA PRASAD MEHROTRA ”,

Does Your Excellency object?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: It is not in my Department. It is the concern of the Foreign and Political Department.

THE HONOURABLE SIR BERTRAND GLANCY (Political Secretary): No objection, Sir.

THE HONOURABLE THE PRESIDENT : Do any other Members object ?

(No Honourable Member objected.)

THE HONOURABLE THE PRESIDENT : Then the Honourable Member has got the leave of the Council. The Motion will be discussed at four o'clock this afternoon.

STATEMENTS LAID ON THE TABLE.

AGREEMENT BETWEEN THE SECRETARY OF STATE FOR INDIA IN COUNCIL AND THE RESERVE BANK OF INDIA.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary) : Sir, I lay on the table a copy of the Agreement between the Secretary of State for India in Council and the Reserve Bank of India.

RESERVE BANK OF INDIA.

[Incorporated under the Reserve Bank of India Act, 1934 (II of 1934)].

AGREEMENT BETWEEN THE SECRETARY OF STATE FOR INDIA IN COUNCIL AND THE RESERVE BANK OF INDIA.

AN AGREEMENT made this fifth day of April 1935, BETWEEN THE SECRETARY OF STATE FOR INDIA IN COUNCIL acting by and through THE GOVERNOR GENERAL IN COUNCIL (hereinafter called "the Secretary of State") of the one part and THE RESERVE BANK OF INDIA (hereinafter called "the Bank") of the other part WHEREAS the Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934 (being Act No. II of 1934) (hereinafter called "the Act") with and subject to the various powers, provisions and restrictions in and by the Act set forth and it was thereby *Inter alia* particularly provided as follows, *viz.*,

(1) by section 20 of the Act that the Bank should undertake to accept monies for account of the Governor General in Council and to make payments up to the amount standing to the credit of his account and to carry out his exchange, remittance and other banking operations including the management of the public debt and

(2) by section 21 (1) of the Act that the Governor General in Council should entrust the Bank on such conditions as might be agreed upon with all his money, remittance, exchange and banking transactions in India and in particular should deposit free of interest all his cash balances with the Bank provided that nothing in that sub-section should prevent the Governor General in Council from carrying on money transactions at places where the Bank has no branches or agencies and that the Governor General in Council might hold at such places such balances as he may require and

(3) by section 21 (2) of the Act that the Governor General in Council should entrust the Bank on such conditions as might be agreed upon with the management of the public debt and with the issue of any new loans.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the said parties hereto as follows, that is to say:—

1. This agreement shall come into force on the execution of these presents.

2. The general banking business of the Governor General in Council (in which business is included the payment, receipt, collection and remittance of money on behalf of the Governor General in Council and of such Local Governments as may not have the custody and management of their own provincial revenues) shall be carried on and transacted by the Bank in accordance with and subject to the provisions of this agreement and of the Act and with and to such orders and directions as may from time to time be given to the Bank

by the Governor General in Council through any Government officer or officers authorised by him in that behalf and at any of the offices, branches or agencies of the Bank for the time being in existence as may from time to time be so directed and for this purpose such accounts shall be kept in the books of the Bank and at such offices, branches or agencies of the Bank as shall be necessary or convenient or as the Governor General in Council shall from time to time direct in the manner aforesaid.

3. The Secretary of State shall employ the Bank as the sole Banker in India of the Governor General in Council who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of his cash balances at any places at which for the time being the Bank shall have an office, branch or agency and the Bank shall subject to such orders as may from time to time be given by the Governor General in Council in the manner aforesaid receive and hold for the Governor General in Council all such monies as may be or become payable to him or on his account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Governor General in Council regarding the receipt, collection, payment and remittance of money and other matters, as is usually transacted by bankers for their customers. The Bank shall make the said monies at the said offices, branches and agencies available for transfer to such places and at such times as the Governor General in Council may direct. No interest shall be payable to the Governor General in Council on any of the monies for the time being held by the Bank.

4. The management of the public debt and the issue of new loans by the Governor General in Council and the performance of all the duties relating thereto respectively including the collection and payment of interest and principal and the consolidation, division, conversion, cancellation and renewal of securities of the Governor General in Council and the keeping of all registers, books and accounts and the conduct of all correspondence incidental thereto shall be transacted by the Bank at its offices in Bombay, Calcutta and Madras and at any of its offices, branches or agencies at which respectively the administration of any portion or portions of the public debt is for the time being conducted or interest thereon is for the time being payable and the Bank shall also keep and maintain such registers, books and accounts in respect of the said public debt as the Governor General in Council may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Secretary of State and for the Governor General in Council in the management of the said public debt and shall conduct such agency subject to such orders and directions with regard to the general management thereof as may from time to time be given to the Bank by the Governor General in Council.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Governor General in Council other than such advantage as may accrue to it from the holding of his cash balances free of obligation to pay interest thereon.

6. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Governor General in Council half-yearly a commission at the rate of Rs. 2,000 per crore per annum on the amount of the public debt as aforesaid at the close of the half-year for which the charge is made. In calculating this charge the following amounts shall be excluded from the amount of public debt, *viz*:—

- (a) The amounts of loans discharged outstanding after one year from the date of a notice of discharge.
- (b) The amount of stock certificates for Rs. 50,000 and upwards held by the Governor General in Council or by a Local Government or by any officer or officers of the Government of India or of a Local Government authorised in that behalf.
- (c) The amount of the Government of India rupee securities held in the issue department of the Bank.
- (d) The amount of stock and notes outstanding in the London register.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Governor General in Council a fixed sum of Rs. 2,000 a year on account of the stock certificates referred to in head (b) of this clause and the Bank shall be also entitled to charge the public (but not the Governor General in Council or a Local Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor General in Council under the powers conferred upon him by the

Indian Securities Act, 1920 (Act No. X of 1920) for duplicate securities and for the renewal, consolidation, division or otherwise of all Government Securities which the Bank issues.

7. The Bank shall maintain currency chests of its issue department at such places as the Governor General in Council may prescribe and the Governor General in Council shall provide sufficient accommodation for such chests as may be required for the deposit of notes or coin and shall be responsible to the Bank for the safe custody of the said chests, notes and coin. The Bank shall keep the said chests supplied with sufficient notes and coin to provide currency for the transactions of the Governor General in Council and reasonable remittance facilities to the public at the said places. The Governor General in Council shall supply the Bank with such information and returns as the Bank may from time to time require as to the composition of the balances in the said chests and the amount and nature of the transfers to and from the said chests. The Bank shall have access to the said chests at all reasonable times for the purpose of inspecting and checking the contents. The Governor General in Council shall be responsible to the Bank for the examination and correctness of coin or notes at the time of deposit in or withdrawal from the said chests.

8. The Bank shall not be at liberty to close any of its offices or branches except on Sundays, New Year's Day, Christmas Day, Good Friday and on any other day declared to be a public holiday by any notification published in pursuance of the Negotiable Instruments Act (Act XXVI of 1931) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Governor General in Council and the Bank shall be responsible that no one of its agencies doing Government business for the time being existing shall be closed except on Sundays and on public holidays authorised by the Local Government within whose jurisdiction such agencies may be respectively situated.

9. The responsibility for all loss or damage to the Secretary of State and the Governor General in Council which may result from any act or negligence or omission of the Bank in conducting the business of the public debt aforesaid or the payment of interest or discharge value thereon or the renewal, conversion, consolidation, subdivision or cancellation of any Government security shall rest with and be borne by the Bank provided however that it shall not be incumbent on the Bank to verify signatures and endorsements on Government securities which *prima facie* appear to be in order and in the acceptance of which the Bank shall not be guilty of any negligence and in such cases no liability shall be incurred by the Bank in respect thereto PROVIDED ALSO that in regard to the ordinary banking business at the offices, branches and agencies of the Bank of receiving and realising money and securities for money on account of the Governor General in Council and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Governor General in Council and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Secretary of State and the Governor General in Council shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

10. The Bank shall remit on account of the Governor General in Council between India and London such amounts as may be required by him from time to time at the market rate of the day for telegraphic transfers, subject to the proviso that if a large transfer has to be effected in connection with the flotation or repayment of a sterling loan or analogous operation, and if it is considered by either party to be inappropriate to apply the rate of a single day, an average rate based on a longer period may be fixed by agreement between the two parties.

11. This agreement may be determined by either party giving to the other party one year's notice in writing expiring on the 31st day of March in any year, such notice if given by or on behalf of the Secretary of State to be addressed to the Governor of the Bank and to be served by being left at the Head Office of the Bank and if given by the Bank to be served by leaving the same with or addressing the same by registered post to the Secretary to the Government of India in the Finance Department and immediately upon the expiration of such notice this agreement shall absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

12. Nothing in this agreement shall operate to affect in any way the obligations imposed either on the Governor General in Council or on the Bank by or under the Act or any subsequent amendment or amendments of the Act.

13. The Bank shall be entitled to perform all or any of the matters contained in this agreement through such agency or agencies as may be prescribed by the Act or any amendment thereof or as may be approved by the Governor General in Council.

IN WITNESS WHEREOF

Secretary to the Government of India in the Finance Department by the order and direction of the Governor General in Council acting for and on behalf of the Secretary of State for India in Council has hereunto set his hand and the common seal of the Reserve Bank of India pursuant to a Resolution of its Central Board has been hereunto affixed in the presence of its subscribing officials the day and year first above written.

Signed by the said the Honourable Mr. Philip Cubitt Tallents, C.S.I., C.I.E., I.C.S., Secretary to the Government of India in the Finance Department for and on behalf of the Governor General of India in Council acting in the premises for and on behalf of the Secretary of State for India in Council in the presence of

(Sd.) P. C. TALLENTS,
*Secretary to the Government
of India, Finance Department.*

(Sd.) H. S. STEPHENSON,
*Additional Under Secretary
to the Government of India.*

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sir Edward Charles Benthall, K.T., and Sir Badridas Goenka, K.T., C.I.E., two of its Directors and Sir Osborne Arkell Smith, K.C.S.I., its Governor.

Common Seal
of the
Reserve Bank of
India

(Sd.) E. C. BENTHALL,
BADRIDAS GOENKA,
Directors.

(Sd.) OSBORNE A. SMITH,
Governor.

AGREEMENT BETWEEN THE RESERVE BANK OF INDIA AND THE IMPERIAL BANK OF INDIA.

THE HONOURABLE MR. P. C. TALLENTS (Finance Secretary): Sir, I lay on the table a copy of the Agreement between the Reserve Bank of India and the Imperial Bank of India.

RESERVE BANK OF INDIA.

[Incorporated under the Reserve Bank of India Act, 1934 (II of 1934).]

AGREEMENT BETWEEN THE RESERVE BANK OF INDIA AND THE IMPERIAL BANK OF INDIA.

AN AGREEMENT made the fifth day of April 1935, BETWEEN THE RESERVE BANK OF INDIA (hereinafter called "the Reserve Bank") of the one part and THE IMPERIAL BANK OF INDIA (hereinafter called "the Imperial Bank") of the other part WHEREAS the Imperial Bank was constituted and incorporated by the Imperial Bank of India Act, 1920 (being Act No. XLVII of 1920) and WHEREAS the Reserve Bank was constituted and incorporated and is regulated by the Reserve Bank of India Act, 1934 (being Act No. II of 1934) hereinafter called "the Act" and WHEREAS by section 45 of the Act it is *inter alia* provided that the Reserve Bank should enter into an agreement with the Imperial Bank which should be subject to the approval of the Governor General in Council and should be expressed to come into force on the date on which Chapter III of the Act should come into force and should remain in force for 15 years and thereafter until terminated after 5 years' notice on either side and should further contain the provisions

set forth in the Third Schedule to the Act subject nevertheless to the proviso that the agreement should be conditional on the maintenance of a sound financial position by the Imperial Bank, and that if, in the opinion of the Central Board of the Reserve Bank, the Imperial Bank failed either to fulfil the conditions of the agreement or to maintain a sound financial position, the said Central Board should make a recommendation to the Governor General in Council and the Governor General in Council after making such further inquiries as he thought fit might issue instructions to the Imperial Bank with reference either to the agreement or to any matter which in his opinion involved the security of the Government monies or the assets of the Issue Department of the Reserve Bank in the custody of the Imperial Bank and in the event of the Imperial Bank disregarding such instructions might declare the agreement to be terminated and WHEREAS the agreement contemplated by the Act is the agreement hereinafter set out to which the Governor General in Council has already expressed his approval.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the parties hereto as follows, that is to say :—

1. This agreement shall be deemed to have come into force on the 1st day of April 1935 being the day on which the Governor General in Council by notification in the Gazette of India appointed that Chapter III of the Act should come into force and this agreement shall remain in force for the term of twenty years from the aforesaid day and thereafter unless and until determined as hereinafter provided.

2. The Reserve Bank shall during the subsistence of this agreement employ the Imperial Bank as its sole agent at every place in British India where there is a branch of the Imperial Bank which was in existence at the date on which this agreement comes into force and where there is no branch of the Banking Department of the Reserve Bank.

3. The general banking business of the Governor General in Council which may be entrusted by the Reserve Bank to the Imperial Bank as sole agent of the Reserve Bank as aforesaid shall be managed by the Imperial Bank subject to the provisions of this agreement and with and to such orders and directions as may from time to time be given to the Imperial Bank by the Reserve Bank and for this purpose all such accounts shall be maintained by the Imperial Bank as shall be necessary or convenient or as the Reserve Bank shall from time to time direct :

Provided however that in conducting such business the responsibility of the Imperial Bank shall be solely to the Reserve Bank and shall be that of a Banker to an ordinary customer.

4. The Reserve Bank shall not maintain a balance with the Imperial Bank for the management of the accounts of the Governor General in Council, but all sums due to or from the Governor General in Council in the management of the aforesaid accounts shall be adjusted by the Imperial Bank by book transfer with the balances which it holds with the Reserve Bank at such place or places at which there is a branch of the Banking Department of the Reserve Bank and in such manner as may be agreed upon between the Reserve Bank and the Imperial Bank from time to time.

5. (a) In consideration of the performance at the places and in the manner specified in this agreement by the Imperial Bank on behalf of the Reserve Bank of the functions which the Imperial Bank was performing on behalf of the Governor General in Council before the coming into force of this agreement with the exception of functions relating to the management of the public debt, the Reserve Bank shall pay to the Imperial Bank as remuneration a sum which shall be for the first ten years during which this agreement is in force a commission calculated at one-sixteenth of one per cent. on the first 250 crores and one-thirty-second of one per cent. on the remainder of the total of the receipts and disbursements dealt with annually on account of Government by the Imperial Bank on behalf of the Reserve Bank. At the close of the said ten years the remuneration to be paid by the Reserve Bank to the Imperial Bank for the performance of these functions shall be revised and the remuneration for the ensuing five years shall be determined on the basis of the actual cost to the Imperial Bank, as ascertained by expert accounting investigation, of performing the said functions. The remuneration so determined shall thereafter be subject to revision in like manner at the end of each period of five years so long as this agreement remains in force. The amount of the said remuneration shall be arrived at by discussion in advance between the Reserve Bank and the Imperial Bank so that the new arrangements may come into force at the beginning of each such period :

Provided that if any dispute arises between the Reserve Bank and the Imperial Bank as to the amount of the said remuneration, the matter shall be referred for final decision to the Governor General in Council who may for the purpose of arriving at such decision require from the Imperial Bank such information and may order such accounting investigation as he thinks fit.

(b) The Reserve Bank shall pay to the Imperial Bank for acting as agent in matters other than that for which the Imperial Bank is remunerated under clause 5(a) such remuneration as shall be agreed between the parties from time to time and failing agreement as shall be determined by the Governor General in Council whose decision shall be final and binding on the parties.

6. The Imperial Bank shall maintain branches not less in number than those existing at the time this agreement comes into force and in consideration thereof the Reserve Bank shall until the expiry of 15 years from the coming into force of this agreement make to the Imperial Bank the following payments, namely

- (a) during the first five years of this agreement—nine lakhs of rupees per annum ;
- (b) during the next five years of the agreement—six lakhs of rupees per annum ;
- and
- (c) during the next five years of the agreement—four lakhs of rupees per annum.

7. The Imperial Bank shall not without the approval of the Reserve Bank open any branch in substitution for a branch existing at the time this agreement comes into force.

8. If the Imperial Bank so desires, the Reserve Bank shall maintain a chest of its Issue Department and a small coin depot at each branch of the Imperial Bank managing the Government account situated at a place in British India where there is no office of the Banking or Issue Department of the Reserve Bank, and at any local head office or other branch of the Imperial Bank in India if the two Banks so agree and the Imperial Bank shall provide sufficient accommodation for such chests and small coin depots as may be required for the deposit of notes or coin. The Reserve Bank shall supply the said chests and depots with the necessary currency whether notes or coin, and the Imperial Bank shall, subject to any general or special directions received from the Reserve Bank in that behalf, exchange notes for coin and coin for notes and make deposits and withdrawal of notes and coin at such chests and depots and shall supply the Reserve Bank with such information as it may from time to time require as to the transactions at such chests and depots and the composition of the balances held thereat. The Imperial Bank shall be responsible for the safe custody in its strong rooms of the said chests and depots and their contents and the responsibility of the Imperial Bank in respect of the said chest and depots and their contents shall be that of a bailee as prescribed by section 151 of the Indian Contract Act (Act IX of 1872). The Imperial Bank shall allow the Reserve Bank to have access to the said chests and depots at all reasonable times for the purpose of inspecting the contents and the arrangements made for their safe custody. The Imperial Bank shall also be responsible for the examination and correctness of coin or notes at the time of deposit in or withdrawal of the same from the said chests or depots.

9. The Imperial Bank shall be at liberty for the purpose of the transfer of its funds from any of its local head offices or branches in India to any other or such offices or branches to make payments into and withdrawals from its account with any office or branch of the Banking Department of the Reserve Bank or any office or chest of the Issue Department of the Reserve Bank or any small coin depot in its custody free of charge.

10. The Imperial Bank shall give to all banks included in the Second Schedule of the Act such facilities for remittances as may be prescribed from time to time by the Reserve Bank and shall also as far as practicable give the public every facility for the transfer of money at rates not exceeding such rates as the Reserve Bank may by special or general direction approve.

11. The Imperial Bank shall not be at liberty to close any of its offices or branches at which it performs agency functions for the Reserve Bank except on Sundays and on public holidays as defined by the explanation to section 25 of the Negotiable Instruments Act (Act XXVI of 1881).

12. The Imperial Bank shall forthwith supply the Reserve Bank with any information which it may by special or general direction from time to time require, regarding the security of the Government monies or the assets of the Issue Department in the custody of the Imperial Bank and the Reserve Bank shall be entitled to issue instructions to the

Imperial Bank in respect of any matter which in its opinion vitally affects either of these matters provided that nothing in this clause shall operate to affect the obligations in regard to the supply of information imposed on the Imperial Bank as a Scheduled Bank under section 42 of the Act and the regulations framed under section 58(2)(o) of the Act.

13. If in the opinion of the Reserve Bank the Imperial Bank has failed either to fulfil the conditions of this agreement or to maintain a sound financial position or has wilfully disregarded or failed to comply with the provisions of clause 12 of this agreement, the Reserve Bank shall be entitled to make a recommendation to the Governor General in Council and the Governor General in Council after making such further enquiry as he thinks fit may issue instructions to the Imperial Bank with reference either to this agreement or to any matter which in his opinion involves the security of the Government monies or the assets of the Issue Department of the Reserve Bank in the custody of the Imperial Bank and in the event of the Imperial Bank disregarding such instructions may by notification in the Gazette of India declare this agreement to be terminated and on such notification being issued this agreement shall forthwith be determined accordingly but without prejudice to any rights acquired or liabilities incurred by either party prior to such determination.

14. This agreement may be determined at or at any time after the expiration of the said term of twenty years by notice in writing given in manner hereinafter mentioned that is to say, that if on or after the expiration of fifteen years from the date on which this agreement comes into force either of the parties hereto shall give to the other party a notice in writing expressing its desire to determine this agreement such notice if given by the Reserve Bank to be addressed to and served upon the Managing Director of the Imperial Bank and if given by the Imperial Bank to be addressed to and served upon the Governor of the Reserve Bank, this agreement shall immediately upon the expiration of five years from the day of such service absolutely cease and determine save as to rights or liabilities acquired or incurred prior to such termination.

IN WITNESS whereof the Common Seals of the Reserve Bank of India and the Imperial Bank of India have been hereunto affixed in the presence of their respective subscribing officials the day and year first above written.

The Common Seal of the Reserve Bank of India was hereunto affixed pursuant to a resolution of its Central Board in the presence of Sir Osborne Arkell Smith, K.C.I.E., the Governor and Sir Edward Charles Benthall, Kt., and Sir Badridas Goenka, Kt., C.I.E., two of the Directors of the Reserve Bank of India who in token of their presence have hereupon signed their names.



(Sd.) OSBORNE A. SMITH,
Governor.

(Sd.) BADRIDAS GOENKA,
E. C. BENTHALL,
Directors.

The Common Seal of the Imperial Bank of India was hereunto affixed in the presence of William Lamond the Managing Director and Evelyn James Bunbury and Harry Harrison Burn two of the Directors of the Imperial Bank of India who in token of their presence have hereupon signed their names.



(Sd.) W. LAMOND,
Managing Director.

(Sd.) E. J. BUNBURY,
H. H. BURN,
Directors.

CHAIRMAN OF PORT TRUSTS.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary): Sir, I lay on the table a statement containing the information promised in reply to question No. 126 asked by the Honourable Mr. Satyendra Chandra Ghosh Maulik on the 16th April, 1935.

| Port Trust. | Whether the undermentioned post was filled by an Indian. If so, by whom and for what period. | | Remarks. |
|------------------|---|---|---|
| | Chairman. | Vice-Chairman. | |
| 1. Calcutta .. | No | No. | |
| 2. Chittagong .. | Yes. Mr. K. C. De, C.I.E., I.C.S., from the 30th April, 1916 to 1st August, 1921. | Yes. Mr. S. C. Ghatak, from the 12th June, 1923 to the 30th November, 1923. | |
| | Mr. J. N. Roy, O.B.E., from the 28th October, 1924 to the 17th November, 1925, and again from the 24th June, 1926 to the 14th November, 1926. | Rai Upendralal Roy Bahadur, B.L., from the 4th May, 1935 to date. | |
| 3. Bombay .. | No | No. | |
| 4. Rangoon .. | No | Yes. Mr. U Thein Maung (Burman) from the 8th July, 1932 to date. | |
| 5. Madras .. | No | | There is no post of Vice-Chairman or Deputy Chairman for the Madras Port Trust. |
| 6. Karachi .. | No | Yes. Indians were elected as Vice-Chairman for the following years:— 1925-26 (part); 1926-1927 to 1930-31; and 1932-33 to 1934-35. | |
| 7. Aden .. | Yes. Mr. Salman Badrudin Tyabji, A.M. I.C.E., M.I.E. (Ind.), from the 21st March, 1928 to the 30th June, 1928. | | There is no post of Vice-Chairman or Deputy Chairman for the Aden Port Trust. |

**OBJECTS ON WHICH THE PETROL TAX FUND WAS EXPENDED DURING
1934-35.**

THE HONOURABLE MR. G. H. SPENCE (Government of India : Nominated Official) : Sir, I lay on the table the statement promised in reply to part (b) of question No. 146 asked by the Honourable Sir Ernest Miller on the 28th August, 1934.

Statement showing the objects on which the Petrol Tax Fund was expended during 1934-35.

| Object. | Expenditure. |
|---|---------------|
| 1. Installation of an illuminated wind indicator at the Karachi Air Port .. | 2,768 |
| 2. Extra expenditure in connection with the installation of a fixed flood-light at the Karachi Air Port | 785 |
| 3. Experimental consolidation of ground at the civil landing ground at Bassein | 613 |
| 4. Purchase of an accelerometer for carrying out research in atmospheric turbulence | 777 |
| 5. Financial assistance and scholarships to Indians for training in England in civil aviation | *16,000 |
| Total .. | 20,943 |

* This is the revised estimate ; actual expenditure is not yet known.

MESSAGE FROM HIS MAJESTY THE KING EMPEROR.

THE HONOURABLE THE PRESIDENT : I have a message to deliver to you from His Majesty the King Emperor. The Message is as follows :

“ Buckingham Palace,

June, 1935.

The King Emperor is graciously pleased to express His thanks for the greetings addressed to His Imperial Majesty on the occasion of His Silver Jubilee, and much appreciates the sentiments of loyalty and goodwill which prompted this message”.

(The Message was received by the Council, standing.)

MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

THE HONOURABLE THE PRESIDENT : I have a message to deliver from His Excellency the Governor General. It is as follows :

PANEL OF CHAIRMEN.

“ In pursuance of the provision of sub-section (2) of section 63A of the Government of India Act, I, Freeman, Earl of Willingdon, hereby nominate the following Members of the Council of State to be on the Panel of Chairmen of the said Council of State :

In the first place, the Honourable Sir Phiroze Setkna ; in the second place, the Honourable Rai Bahadur Lala Ram Saran Das ; in the third place, the Honourable

Saiyed Mohamed Padshah Sahib Bahadur ; and lastly, the Honourable Sir David Devadoss.

SIMLA ;

The 14th September, 1935.

WILLINGDON,

Viceroy and Governor General".

(The Message was received by the Council, standing.)

COMMITTEE ON PETITIONS.

THE HONOURABLE THE PRESIDENT : Under Standing Order 76 of the Council of State Standing Orders, I am required at the commencement of each session to constitute a Committee on Petitions consisting of a Chairman and four Members. The following Members have at my request kindly consented to preside over and serve on the Committee. I accordingly have much pleasure in nominating as Chairman of the Committee the Honourable Raja Charanjit Singh and as Members, the Honourable Khan Bahadur Syed Abdul Hafeez, the Honourable Sir David Devadoss, the Honourable Mr. Satyendra Chandra Ghosh Maulik, and the Honourable Rai Bahadur Lala Jagdish Prasad.

CONGRATULATIONS TO RECIPIENTS OF HONOURS.

THE HONOURABLE THE PRESIDENT : It is now my privilege and pleasure to congratulate the Honourable Members of this Council who have been the recipients of Honours in His Majesty's Birthday's Honours List. The two first and foremost names which attract our attention are those of the Honourable Kunwar Sir Jagdish Prasad (Applause) and the Honourable Sir Muhammad Zafrullah Khan. The Honourable Kunwar Sir Jagdish Prasad has been in our Council for some time now and I can add very little to the tribute of praise that was given to him by many Members of this Council on his first appearance in the Council in Delhi. Sir Jagdish Prasad comes to the Government of India after a record of brilliant service in the United Provinces where he made a reputation and name for himself. He is one of the most conscientious servants of the United Provinces Government and in his capacity of Home Member there he rendered great service not only to the United Provinces but indirectly to the Government of India also. The title of Knighthood which is bestowed on him is merely the precursor of many higher titles soon to follow. Sir Jagdish Prasad during the short time he has been with us has proved his ability and his power of debate in this Council and many of the Honourable Members were struck with his quick grasp and the facility with which he took part in many important debates in this Council.

The Honourable Sir Muhammad Zafrullah Khan, though he is occupying a seat in another House just at present, was a Member of and the Leader of this House for a short period during the time Sir Fazl-i-Husain went on leave, and we found him a very talented and able Member and Leader. I myself had the pleasure of working with him in the Round Table Conference and in the Federal Structure Committee and I can speak as an eyewitness to his masterly ability and the impression which he then made not only on Lord Sankey but on the Prime Minister who used to attend the meetings of the Round Table Conference. He has received a reward for real merit and I have no doubt

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that we shall have the pleasure of seeing him in this House very often in the course of important debates.

Among the non-officials, the name of Sir Ernest Miller is one that attracts our notice. (Applause.) Sir Ernest Miller has now retired but he was for nearly five years a Member of this Council and we all had great admiration and respect for his views. He always spoke with sobriety and forbearance and he attracted the attention of this Council by his great modesty and his restrained language. We are very pleased that he has received a suitable recognition for his meritorious work not only in connection with the Roads Committee but in connection with this Council.

The name of Sir James Braid Taylor is one of considerable importance. (Applause.) He was in our Council off and on for various periods between 1932 and 1934. He is a comparatively young man but a very talented man and is now recognised as an expert in financial matters. As Finance Secretary to the Government of India he was for some time in this House and we were struck with the high quality of his debates and the conspicuous part which he always took in discussion of financial matters. He has now been translated to a more eminent post and that is the Deputy Governor of the Reserve Bank of India, a post which I have no doubt—and the Council will also agree—the duties of which he will discharge with great credit to himself and also credit to the Government of India.

Another name which I wish to bring to your notice is that of Sir Saiyid Raza Ali (Applause), a former Member of this Council. He served on this Council from 1921 to 1926 and also for a brief interval from 1934 to 1935. He is now posted to serve in South Africa as Agent to the Governor General. He was a very useful Member of this Council and though he had pronounced views on many important matters he laid them before the Council with great sobriety and judgment. I have no doubt that in the new office which he holds he will bring credit not only to himself but distinction to Indians.

I also allude with the greatest pleasure to the Honourable Mr. Thomas Alexander Stewart (Applause), a popular Member of this Council. Mr. Stewart was the right-hand man of Sir Joseph Bore and during the last four years that he has been in this Council he has shown great talents, masterly ability, quick grasp of most important commercial questions and a sense of consideration and respect to his opponents with whom he often disagreed. (Applause.) He is one of the most brilliant members of the Indian Civil Service and I have no doubt there are many things yet in reserve for him. I wish him all success in his career. (Applause.)

The last name that I wish to allude to is that of the Honourable Khan Bahadur Nawab Chaudri Muhammad Din. (Applause.) He is a retired officer of the Punjab Civil Service and he is now Revenue Member of the Council of State of Jaipur, Rajputana. We all congratulate him on the title of Nawab which has been conferred on him as a personal distinction. (Applause.)

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member): Sir, I am very grateful to you for the very kind things that you have said about me. I hope I shall continue to retain the goodwill and the good opinion of Honourable Members of this House.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary) : May I, Sir, also express my very grateful thanks to you and to the Honourable Members of this House for their very cordial congratulations ? (Applause.)

THE HONOURABLE KHAN BAHADUR CHAUDRI NAWAB MUHAMMAD DIN (East Punjab Muhammadan) : Sir, I am deeply grateful to you and to the Council for their very kind words.

GOVERNOR GENERAL'S ASSENT TO BILLS.

SECRETARY OF THE COUNCIL : Sir, information has been received that His Excellency the Governor General has been pleased to grant his assent to the following Bills which were passed by the two Chambers of the Indian Legislature during the Delhi session, 1935, namely :

The Indian Naturalization (Amendment) Act, 1935.

The Indian Tariff (Amendment) Act, 1935.

The Indian Tea Cess (Amendment) Act, 1935.

The Salt Additional Import Duty (Extending) Act, 1935.

The Indian Mines (Amendment) Act, 1935.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

SECRETARY OF THE COUNCIL : Sir, the following message has been received from the Secretary of the Legislative Assembly :

“ I am directed to inform you that the Legislative Assembly has, at its meeting on the 3rd September, 1935, agreed without any amendment to the Bill further to amend the Aligarh Muslim University Act, 1920, for a certain purpose, which was passed by the Council of State at its meeting held on the 21st March, 1935 ”.

DEATHS OF MR. P. C. DESIKA CHARI, SIR JOHN THOMPSON, SIR BASIL BLACKETT AND SIR DEVA PRASAD SARVADHIKARY.

THE HONOURABLE THE PRESIDENT : Honourable Members, it is now my mournful task to refer to the death of some of our colleagues past and present who were Members of this Council and who had served their country with much distinction. I first wish to refer to the death of the Honourable Mr. P. C. Desika Chari, a Member from Rangoon. Mr. Chari, who belonged to the Madras Presidency, left India and settled down in Rangoon some years ago and he became a prominent member of the Rangoon Bar. Subsequently he took great interest in public life in Burma and eventually he was sent here as a Member for Burma. Mr. Chari, though he had very definite, pronounced and extreme views on many subjects, represented his views before this House with great humility, with restraint and with considerable forbearance. He was listened to and respected by this House, especially the non-official Members, because he always studied the questions which he argued before the House and he took part in many of the important debates of this House during the time that

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he was a Member of this Council. We all regret his unfortunate and untimely death.

Next I wish to refer to the services of a distinguished member of the Indian Civil Service who retired from India three years ago and had settled down in his home in England, I mean the late Sir John Thompson. Sir John Thompson served in the Legislative Council of the Punjab for some time and thereafter he was appointed Political Secretary to the Government of India. Later on he became the Chief Commissioner of Delhi. He was one of the most brilliant members of the Indian Civil Service. He was Chief Secretary of the Punjab Government during the quinquennial period 1916 to 1921 and unfortunately but for an incident that happened then, he would have probably risen to the highest post as the head of a province in India. He was a man of remarkable ability, he possessed the rare gift of eloquence, of speaking on any subject and without notice. He was a very conscientious man; and when he was appointed as the Chief Commissioner of Delhi he took considerable interest in the execution of his office. When he was appointed Chief Commissioner of Delhi, currency was given to the report—I was then in Delhi too—that a tyrant from the Punjab had been sent to rule the Delhi province, but in a short time the people of Delhi loved him and he loved them. He took great interest in the people of Delhi, in the promotion of all sanitary, hygienic works. He gave his support, help and advice to the municipality of Delhi and endeavoured his best to decrease disease and to promote the health and comfort of the people of Delhi. As Chief Commissioner of Delhi he gained a reputation of the highest order. Since his retirement he has not been altogether unheard of. Those who have read the English papers must have found that since his retirement Sir John Thompson took a lively interest in the Reforms which were debated in the House and he espoused the cause in public newspapers of Indians. Unfortunately, an operation brought his career to an untimely end but I would say without hesitation that Sir John Thompson's life and career may be profitably emulated by the younger members of the Indian Civil Service.

Next, with much sorrow, I refer to the death of Sir Basil Blackett. Unfortunately he met with a very tragic end. Sir Basil Blackett's reputation was so great both in England before he came out to India and the reputation which he built up for himself as Finance Member of the Governor General's Council that it may be urged that it is not necessary for me to say much about it. He was a man of outstanding ability and I would therefore refer to some of the great services which he rendered to England before he arrived in India and the services which he rendered to this country when he accepted the office of Finance Member of the Governor General's Council.

Sir Basil Blackett first made his name as Secretary of the Currency and Exchange Commission of 1913. During the time that he was Secretary he gave such valuable assistance to the members of that Committee and he handled with such conspicuous success the many important and complex financial questions with which that Commission was concerned. He laid the foundation then for the brilliant manner in which he was to handle all those problems connected with the great office which he was to occupy ten years later in this country. He was specially requisitioned by the Treasury to go to America to solve the problem of exchange during the war with America.

Later on it was as an expert of the prime order that he was sent as a member of the Anglo-French mission to America during the war to raise 500 million dollars for the purpose of the war and there he showed his great ability and diplomacy. Later on the Treasury specially appointed him to settle the cash resources of this country and do the work of the National War Savings Committee which he also discharged with great ability. During the years 1917 to 1919 he was always in requisition in his own country and later on at the end of 1922 he came out to India. It might be asked why a man of his brilliant abilities who had acquired a great reputation in England, who had already acquired an international reputation, should have elected to come out to India to take up the comparatively less exalted office of Finance Member of the Government of India. I will recall his own words to explain his conduct in that direction. In rising to present his first budget in the Legislative Assembly on March 1st, 1923, he commenced by saying :

“ It is a great privilege to me thus to be able to fulfil an old dream of returning to the land of my birth to serve India as so many of my ancestors have done ”.

It was in this spirit he was inspired to come out to India. During the time he held the office of Finance Member of the Government of India,—one of the most important, one of the most complex and difficult office to hold,—he distinguished himself by an exhibition of rare financial genius. He tackled immediately on his arrival the exchange question. Exchange was at that time soaring to higher flights. He arrested the flights of exchange with a remarkable acumen and subsequent events have justified his action. He stabilised the rupee, as every one knows, and put the ratio on a proper footing. There has been much talk and much controversy over the question of the ratio during the last few years but the subsequent years since his retirement have justified the action which he took in supporting the majority report of the Royal Commission on Exchange and Finance and proved that he took the right step. He put the debt service of India on a proper basis. He reduced the interest charges to the extent of Rs. 6 crores and 40 lakhs and he put the redemption of debt on a proper basis. He saved the Indian taxpayers a considerable amount of money. Apart from that, he was instrumental in the separation of the Railway budget from the General budget and though during the last two or three years it may be said that the separated Railway budget has not worked properly it may yet be regarded as one of his greatest achievements because when he started the separation for the four years immediately succeeding the separation surplus budgets were presented with huge surpluses which were instrumental in providing nation-building works and also in wiping out the provincial contributions which were a very heavy burden to the provinces. With great success the whole of the provincial contributions were wiped out during his term of office. It was his influence that brought down the Army budget from about Rs. 70 crores to slightly over Rs. 55 crores in 1928.

He put the Posts and Telegraphs Department of the Government of India on a commercial basis, in other words he actually commercialised it, and the present great success and flourishing condition of the Posts and Telegraphs Department is entirely due to his efforts in these matters. He organised Provincial Loan Funds which reduced rates of interest on Provincial Loans to 5 and 5½ per cent. from 8½ per cent. and also offered to the country a

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far more liberal Reserve Bank Bill than one which has now been enacted but which was rejected by a former Assembly.

I do not wish to delay the Council any longer. I could refer to many of his acts and services which have extorted our respect and admiration but I will only say that, even after his retirement, his services and his financial knowledge were considered to be of such a high order that in his own country he was invited to become a Director of the Bank of England. He was invited to take part in most of the important enterprises which were then started and other businesses with which up to the day of his death he was associated. His tragic death has deprived England and India of a great financier and a real friend of this country.

I wish also to refer to the death of one of Bengal's greatest sons—I mean Sir Deva Prasad Sarvadhikary. Sir Deva Prasad was a Member of this Council for some time and as such displayed great acumen and great knowledge of the world, and in Bengal he was known as a great educationist. He was less of a politician and more of an educationist. He made a name in the Bengal Legislative Council and subsequently he came here to the Council of State. He was Vice-Chancellor of the Calcutta University which post he discharged with great credit and great satisfaction to the people of Bengal. His death, though in the ripeness of time, has deprived Bengal of one of her greatest citizens and India of a great educationist of foremost importance.

I shall convey to the members of the families of the deceased gentlemen the condolence and sympathy of the Council in their heavy bereavement.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE.

SECRETARY OF THE COUNCIL: Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at its meeting held on the 16th September, 1935, namely:

- A Bill to supplement the Central Provinces Courts Act, 1917;
- A Bill further to amend the Provincial Small Cause Courts Act, 1887, for a certain purpose;
- A Bill further to amend the Indian Army Act, 1911, for certain purposes; and
- A Bill further to amend the Provincial Insolvency Act, 1920, for a certain purpose.

MOTION FOR THE ELECTION OF ONE NON-OFFICIAL MEMBER TO THE STANDING COMMITTEE ON EMIGRATION, VICE MR. B. K. BASU.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member): Sir, I beg to move:

“That this Council do proceed to elect, in such manner as the Honourable the President may direct, one non-official Member to sit on the Standing Committee on Emigration, vice Mr. B. K. Basu, C.I.E.”

The Motion was adopted.

MOTION FOR THE ELECTION OF ONE NON-OFFICIAL MEMBER TO THE STANDING COMMITTEE FOR ROADS, VICE SIR ERNEST MILLER.

THE HONOURABLE MR. G. H. SPENCE (Government of India : Nominated Official) : Sir, I move :

“ That this Council do proceed to the election in such method as may be approved by the Honourable the President, of a Member to serve on the Standing Committee for Roads, in place of Sir Ernest Miller for the remaining months of the financial year 1935-36.”

The Motion was adopted.

THE HONOURABLE THE PRESIDENT : With reference to the two Motions which have just been adopted by the Council, I have to announce that nominations for these two Committees will be received by the Secretary up to eleven o'clock on Friday, the 20th September, 1935 and the dates for the elections, if necessary, will be announced later.

RESOLUTION RE REDUCTION OF THE IMPORT DUTY ON CARBON BLOCKS.

THE HONOURABLE MR. T. A. STEWART (Commerce Secretary) : Sir, I move :

“ That this Council recommends to the Governor General in Council to accept the recommendation of the Tariff Board that the import duty on carbon blocks such as are ordinarily used for the manufacture of carbon brushes for electrical motors and generators be reduced from 25 per cent. to 15 per cent. *ad valorem*.”

This Resolution, Sir, is moved in pursuance of the undertaking that was given last March when the report of the Tariff Board on the claim of the Indian manufacturing industry for the removal of a tariff inequality in respect of carbon blocks imported for the manufacture of carbon brushes was published. The Government of India accepted the finding of the Tariff Board that a tariff inequality did exist. They accepted the recommendation that the duty on carbon blocks should be reduced from 25 per cent. *ad valorem* to 15 per cent. *ad valorem*. But before giving effect to this recommendation, they undertook to place the proposal before the Legislature so that the Legislature might, if they wished, have an opportunity of discussing the proposal. A tariff inequality is said to exist, Sir, when the manufacturer of a commodity in India pays, in the aggregate, more duty on the raw materials which he imports than the importer of the finished product pays on that finished product. Carbon brushes for electrical motors and generators consist of specially shaped pieces of carbon which are fashioned from carbon blocks. These specially shaped brushes are attached to wire leads for the conduction of the current. Now, the importer of the finished product pays duty at the rate of 10 per cent. *ad valorem*. The Indian manufacturer who imports carbon blocks to make the brushes, who imports the wire for the leads and the cement with which he attaches the wires to the brush, pays 25 per cent. *ad valorem* on his carbon block and 20 per cent. *ad valorem* on his wire and cement. It does

[Mr. T. A. Stewart.]

not follow necessarily that a tariff inequality is thereby established, because the value of the finished article is obviously much higher than the value of the component parts and it might be that the sum representing 10 per cent. on the brush might exceed the aggregate of the sums leviable at 25 and 20 per cent. on the raw materials. The matter requires careful examination. That examination has been carried out by the Tariff Board. The method they have employed is exhibited on page 3 of their report, copies of which were supplied to all Honourable Members of this House. What they have done is this. They have taken representative types of blocks that are imported into India. They have ascertained in respect of each type how many carbon brushes can be manufactured from it. They have then calculated the total amount of duty that will be paid on that number of brushes, if imported complete. Let us call that sum A. They have then calculated the amount of duty that would be paid on the cement and wire that would be required to finish that number of brushes. Let us call that B. They have then said to themselves, "If we now realise on the carbon block an amount equal to $A-B$, then we will be sure that the manufacturer in India has paid as much and no more than the importer of the finished product". They ascertained the absolute amounts of duty that should be paid on each type of block; they have calculated what that represented in terms of *ad valorem* incidence. For each type of block they have arrived at a varying figure but on the average they found that it represented something just over 15 per cent. It is therefore their recommendation that the existing duty should be reduced from 25 per cent. to 15 per cent. *ad valorem*. It is of course possible to rectify a tariff inequality not only by reducing the duty on the raw material but also by increasing the duty on the finished product. But the Tariff Board very wisely, if I may say so, recommended that the former method should be chosen as they were not able to estimate what might be the effect of the latter on the very numerous industries in India which employed electrical machinery. The Government of India agree with them that the reduction of duty on the raw material is the more appropriate method of rectifying the inequality. The sum at issue is a matter of Rs. 9,600 and this the Government of India consider a very reasonable sacrifice to make if it will enable the Indian manufacturer of carbon brushes to gain a somewhat larger share of the market for carbon brushes, of which at the present moment he enjoys only 50 per cent.

With these words, Sir, I commend my Motion to the House.

The Motion was adopted.

The Council then adjourned till Four of the Clock.

The Council re-assembled at Four of the Clock, the Honourable the President in the Chair.

MOTION FOR ADJOURNMENT *RE* DESPATCH OF TROOPS TO ABYSSINIA.

THE HONOURABLE THE PRESIDENT : The Council will now proceed with the discussion of the Adjournment Motion. Under Standing Order 23 no speech shall exceed 15 minutes in duration.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA (United Provinces Central : Non-Muhammadan) : Sir, I beg to move :

“That the House do now adjourn ”.

Before proceeding on the merits of the Motion, I may make it plain that the object of my Motion is not to censure the Government for sending troops to Abyssinia. In fact all adjournment motions should not be taken in that light. The objects of adjournment motions are sometimes different and this Motion of mine is to discuss the policy of the Government, namely, whether the Legislature has a right to ask the Government that they should be consulted when troops are sent out of India. Sir, so far as sending troops to Abyssinia is concerned, I think the Government has taken the right action. I am further glad to understand from the answers to the short notice question in the other House that the British Government has taken the responsibility of the expenditure incurred in sending those troops as well as of the cost of their stay in Abyssinia. There is one important question, Sir, in this connection, and it is this, why have troops been sent from India which is at a greater distance than England? I understand that a contingent of 100 men were required and that could have been very easily sent from England or Aden at lesser expense than from India at greater expense. I hope the Government will clear this point when they reply to my Motion.

Sir, Honourable Members of this House are aware that during the discussion on the Navy Bill last year the Government gave an assurance with the full authority of the British Government that whenever the Navy was to be used for any other purposes than the protection of India the Legislature would be consulted. Sir, I think that assurance also holds good so far as the land troops are concerned by implication and it was but right for the Government to have consulted the Legislature.

THE HONOURABLE THE PRESIDENT : When was that assurance given? I was not aware of it.

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA : In the other House, Sir, during the discussion on the Navy Bill.

Then, Sir, we know that troops were sent last month when the Council was not in session. Sir, this contingency may arise in a majority of cases, because the Legislature is in session only for three months out of the 12 and many occasions may arise when immediate action has to be taken without consultation of the Legislature. So, Sir, that assurance will be a pious wish and nothing else. I want to make it very clear to the Government that if such a contingency arises they may call a special and emergent meeting of the Legislature. They can summon meetings by telegram for a day or two and if that is considered to be too much I would have no objection if the Government is prepared to elect a Standing Committee of both Houses which may give advice on such matters and there will be no difficulty in calling that small committee. But the Government must take the representatives of the country into their confidence before taking any important action like this. Sir, we all know that in the Dominions troops are never sent out of their countries without the consent of their Legislatures and it is this convention that we want to develop in this country also. I hope the Government will, on the eve of the introduction of

[Rai Bahadur Lala Mathura Prasad Mehrotra.]

the new Reforms, make it a convention and will not do so in future. Nobody can say when another war may break out and what may be the situation. It is just possible that Indians may be required to help as they did during the Great War. India stood to a man during the last Great War and supplied millions of troops, crores of rupees and thousands of articles of different kinds. It is just possible during the course of another few months a contingency may arise and it will be in the fitness of things that Government before taking any action may consult both Houses of the Legislature.

Sir, with these words, I move.

THE HONOURABLE THE PRESIDENT : Motion made :

“That the Council do now adjourn”.

THE HONOURABLE MR. P. N. SAPRU (United Provinces Southern: Non-Muhammadan) : Sir, my Honourable friend, the Honourable Mr. Mehrotra, has explained that this Motion is not in the nature of a censure motion. The point that he wishes to emphasise is that the Legislature should be consulted before troops are sent abroad. He has raised—and I think very rightly—no objection to the actual step that has been taken by the Government at this particular time. Sir, the rules of the House do not permit a discussion of foreign policy, but if I may just indicate my own feeling in this matter I think it is quite clear that Indian opinion is in this conflict between Italy and Abyssinia wholly and entirely on the side of Abyssinia. If I may be permitted to say so, it was a great pleasure to me to read the other day the speech of our distinguished delegate at the League of Nations—I mean His Highness the Aga Khan—and in the attitude that he took up at the League of Nations he reflected the general attitude of the thinking intelligentsia in this country. What really we want is an assurance from Government that our troops shall not be employed abroad for the purposes of imperial aggression. We are not objecting to the course that the Government has adopted at this particular moment. We are thinking rather in terms of the future. And therefore if His Excellency will give us an assurance that on future occasions troops will not be sent without reference to the Indian Legislature or without consultation with the Indian Legislature, I am quite sure that my friend the Honourable Mr. Mehrotra will be satisfied.

THE HONOURABLE THE PRESIDENT : But if the Council is not sitting ?

THE HONOURABLE MR. P. N. SAPRU : I am just coming to that point, Sir. It was for that reason that I was going to suggest that there should be some standing machinery for that purpose. Of course, foreign affairs are a reserved subject. It is not open to us to suggest that foreign affairs should be transferred. We should have been very glad if that could have been done. But we should like a standing committee of the Legislature to be constituted for the purpose of advising Government in regard to these matters when the Legislature is not sitting. You have so many standing committees. You can have a standing committee constituted from both the Houses and this standing committee you can consult on occasions when it may become necessary for you to take action when the Legislature is not sitting.

THE HONOURABLE THE PRESIDENT : Is there any precedent for that ?

THE HONOURABLE MR. P. N. SAPRU : Sir, I do not always think in terms of precedent. I belong to a school of thought which would rather do without precedent and which would create precedent. A statesman should think in new terms and not always in terms of precedent. Precedent may be all right for judges and lawyers. It is not always all right for statesmen. Therefore, Sir, the suggestion that we would very respectfully make is that there should be some standing machinery. That standing machinery would work in co-operation with the Government. It would be of use to the Government itself. Government would be better informed than it is today of public opinion in regard to foreign affairs in India. After all, India is a member of the League of Nations and what is the use of India being a member of the League of Nations if Indians cannot think on foreign affairs or if they cannot say what they feel about foreign affairs or if they have got no constitutional machinery to make their wishes felt in a constitutional manner on foreign affairs ? Sir, I am not asking for something very extreme. It will be within the recollection of the House that this matter formed the subject-matter of a discussion in the Joint Select Committee also. I have not been able to lay my hand on the report of the Joint Select Committee but I believe there is a recommendation—I may be corrected by His Excellency the Commander-in-Chief if I am wrong—I believe there is a recommendation of the Joint Select Committee that Indian troops should not be employed abroad without reference to the Indian Legislature. I think there was a discussion in the Committee also on this matter and Lord Winterton took a very decided stand on this question and he supported the Indian point of view in regard to this matter.

Then I am not quite sure whether an assurance was given with regard to the use that was to be made of the Indian Navy when the Indian Navy Bill was under discussion in this House but my recollection is that something to that effect was said in the other House. There was some reference of the character which the Honourable Mr. Mehrotra has in mind in the other House. After all, Sir, these troops are ours and we pay for these troops and it is a very natural desire that we should be jealous of the reputation of our troops. Sometimes we do not want them to be sent for wars in which we have no direct interest. We want to live on terms of the utmost friendliness with our Asiatic neighbours and we do not want to be mere pawns in the chessboard of European diplomacy. Therefore, it is a matter of very vital importance that before Indian troops are sent Indian public opinion should be consulted. It may be that sometimes you have to take action immediately. Sometimes you have to take action when the Legislature is not sitting. But what happens when a Government takes action when the Legislature is not sitting in any responsible constitution ? Well, the Government takes action, but then when the Legislature begins to function, the Government places the material before the Legislature and asks for the confidence of the Legislature. It is open to the Legislature then to say whether the action taken by the Government was right or wrong. Our whole point is, that there should be some such machinery and that Government should become if not responsible, at least responsive to public opinion in this matter. I do not wish, Sir, to take up unduly more time of the House. Of course, one could go on talking and one might go on talking for 15 minutes on an Adjournment Motion but I think it will not be necessary for us to go to a division on this matter because

[Mr. P. N. Saprū.]

I am quite hopeful that His Excellency will make a satisfactory statement from our point of view. If His Excellency will make a satisfactory statement from our point of view I am quite sure that my friend the Honourable Mr. Mehrotra will withdraw his Adjournment Motion which, at the same time, will have served a useful purpose because it will have reassured Indian public opinion. Sir, the Indians in Abyssinia want their interests to be protected. The presence of the Indian contingent may help the Indian residents in Abyssinia. We are not objecting to the step that has been taken on this particular occasion.

Sir, there is one other matter on which I would like to be clear. I suppose the cost of this garrison in Abyssinia will be borne by the British taxpayer, and that is as it should be. Therefore there is no difference of opinion on that matter between us and the Government. Sir, with these words I would support very strongly the Adjournment Motion of the Honourable Mr. Mehrotra and I support this Motion in the full confidence and hope that His Excellency's statement will be of a reassuring character.

*THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) : Sir, I rise with your permission to make a few observations. I do not think it is necessary to make any lengthy speech inasmuch as the Honourable mover has made it plain that his object in bringing this Motion before the House is not to censure the Government but only to emphasise the policy of the Government of India in these matters, that all that he wants is that the assurance that was given to the Central Legislature some time ago that, on all occasions when Indian troops would be sent out on operations which would be for purposes other than the defence of India, the Central Legislature would always be consulted whenever it would be possible. Sir, with a view to make this feasible the Honourable mover made a suggestion for the constitution of a standing committee. I am in perfect accord with this suggestion. I feel that it would provide the Government with a ready and easy method of consulting the views of the Indian Legislature before taking any such step. That is the general policy involved in this matter. So far as the present conduct of the Government is concerned, I feel that we cannot in the least find fault with the Government for their failure to consult the Legislature before they sent out that small contingent of troops. Sir, it is simply ridiculous to call an emergency session of the whole of the Central Legislature to consult them for the purpose merely of sending out this small battalion to Abyssinia. I am in agreement with the action which they have taken. At the same time, I feel that the action should have been more effective and that instead of sending out only a few soldiers, they should have sent out an army sufficiently large to afford adequate protection to Indian nationals abroad. I look at this matter from another point of view. To my mind, the defending of the rights of Indian nationals in foreign countries is a matter which concerns the defence of India. After all, Sir, the defence of India should not be construed merely as defence of the people within the borders of India only. I think we should give a more comprehensive meaning to this expression, extending it to Indian

* Not corrected by the Honourable Member.

nationals who are domiciled in foreign countries whose life is in danger by aggressive action on the part of any foreign power.

Again, Sir, India would be perfectly justified in doing everything she can to assist Abyssinia. Sir, a challenge has been thrown to all the coloured races stigmatising them as barbarians and denying them even the justice and right of people—

THE HONOURABLE THE PRESIDENT: The Motion is of a different character. We are not considering the merits of the Abyssinian question.

THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR: I will not dilate upon this, Sir. We are perfectly justified in sending assistance to the Legation in Abyssinia.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhamadan): Sir, I rise to support the Motion moved by my Honourable friend Rai Bahadur Lala Mathura Prasad Mehrotra. Before I discuss the Motion itself, I should like to be enlightened whether His Excellency the Commander-in-Chief is prepared to shoulder the responsibility which has been placed on his back by my Honourable colleague, Saiyed Mohamed Padshah? I think it is a very tall order to say that the defence of the hearth and home of Indians in foreign countries is a duty which falls on the shoulders of the Commander-in-Chief of India. It is not part of the defence of India. It is one of the primary duties of the Imperial Government to safeguard the nationals of all the members of the Commonwealth of British Nations, wherever they might be situate. We can never shoulder the responsibility for this—either military responsibility or financial responsibility. There is another point. Abyssinia is quite close to Aden. The British Government have an army in Aden at the present moment. Why was this not drawn upon and why was it thought necessary to draw on the Army in India, although we are at a great distance from Abyssinia? Strictly speaking, we cannot call the contingent sent an army, because the number of men who have been sent is so small that they have been really sent more as a guard than to be utilised in any hostilities or warfare. We thought it necessary to bring forward this Motion not so much as a censure on the present action of the Government but to safeguard our future interests. We are afraid that the demands of the British Government on Indian troops will be greater because of the creation of a separated Burma. Sir, it was very ably advocated at the Capitulation Tribunal by the advocates of India that the utility of the army does not consist in the moment they are utilised. They are in the nature of an insurance premium which one has to pay for a whole lifetime in order to reap the benefit at the end. Whenever troops are sent out of India it is said that the British Government are going to shoulder the burden. But what is the burden which they shoulder? It is only the day-to-day pay and allowances of the officers and men and their rations and the expenses of their going and coming. Do we get any payment for the pension charges of these men or the expenses for all the days that they have been trained and kept in readiness without being utilised? All these questions crop up when we consider the question of the utilisation of the Indian Army abroad. In the second place, Sir, it is the general policy of the British Government to regard India as a depot from which to draw for their needs in the Near East. It is for this reason that we have been constantly demanding that there should be

[Mr. Hossain Imam.]

a contribution from the Imperial Exchequer towards the expenditure of the Army in India. All these questions are involved. If the British Government want to utilise India as a depot, then they should pay for the expenses of the Army in India, not for the days that they are employed but continuously, and if they are not prepared to do this, we demand as a matter of justice and equity that not a single soldier of India should fight abroad without the sanction of their own nationals and their own representatives. It is a matter of right. We are prepared to fight for it every day as long as we are here. We will not be guiled by the fact that the army has not been utilised for 10 or 15 years. Our blood is more sacred than the money of the British Government and we are not prepared to make our men fight abroad for others.

With these words, Sir, I support the Motion.

THE HONOURABLE SIR BERTRAND GLANCY (Political Secretary): Sir, perhaps I may briefly state the facts in case any Honourable Member is not familiar with them. There has been for many years a small guard drawn from the Indian Army at the British Legation at Addis Ababa. The cost has been borne by His Majesty's Government. In view of recent developments it has been decided in consultation with His Majesty's Government that this guard should be reinforced in order to provide protection for Indians and other British subjects in Abyssinia. I mention Indians first because they are in a great majority. The latest information that I have received is that out of about 1,600 British subjects, some 1,100 are Indians.

The reinforcement which has now arrived at Addis Ababa consists of 148 men in all, four British officers, four Indian officers, 129 other ranks and 11 followers. The entire cost will be borne by His Majesty's Government.

As regards the question of establishing a standing committee or other machinery to decide whether troops should or should not on future occasions be sent out of India, I am afraid that that is outside my province.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I would ask leave to say a few words and correct two mistakes. One was Mr. Hossain Imam saying that troops should go from Aden. There are none there, only Air Force. But the mistake I should like to emphasise is that all the speakers so far have thrown on me the responsibility of answering a question like this. I should like to point out to the House, Sir, that soldiers as soldiers have nothing whatever to do with policy. All I have to do with regard to sending troops abroad, or sending them up to the frontier or anywhere else, is to implement the policy laid down to me by the Civil government. In this case, that was all I did. Another small error that I think was made by some of the speakers was that they apparently regard this instance of sending troops abroad as an instance of their being sent abroad for warlike purposes. They have been sent to Addis Ababa for nothing of the sort. They have been sent for purely protective purposes, and in spite of what some Honourable Members opposite said in regard to their own sympathies with one side or the other, I might point out that in certain eventualities in Abyssinia there might be great confusion and the shots they might have to fire, not in anger but in defence, might be against either side.

Might I say a word about the desire of the House—and it was also expressed forcibly in the other place—that there should be some form of standing committee to whom Government can refer and from whom they can get the political opinion of India at very short notice in regard to sending troops abroad. That again is a political question perhaps not in my province, but as I am a Member of the Governor General's Council, I might give you my views, if you will allow me, but purely as personal ones. I am sure that the Government of India, if they get a request properly put up to them, will consider the matter sympathetically. But before you put it up, you will have to be very certain of what you want. Is it possible to keep a committee of that sort constantly in session, and it would have to be very nearly constantly in session, because these warlike eventualities happen very quickly and decisions may have to be taken very quickly? It is not quite the same thing as a Standing Finance Committee, which is in session for a few weeks and disperses for a few months. You would have probably to select people who lived somewhere near Delhi, or who would be prepared to remain in session or be at short call for six months in the year near Simla. Could you find them? Do you think you could get both Houses to agree on the composition of an important committee like that, which would have to speak for all India? That is again a matter for you. I do not know whether you could do it or not. I think you would have to offer some very considerable remuneration to members of a committee like that. They would have to have the complete confidence of both Houses. People of that kind are generally very urgently engaged in their own affairs. That is all I should like to say, that I am quite certain the Government would consider that sort of a request with every desire to meet your wishes and the wishes of political India, provided that you put up an absolutely agreed proposal, concurred in by all parties in India.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): I would like to have some information from His Excellency. He has referred to the policy of employment of troops abroad. Supposing war breaks out and England is entangled in it, what will then be the position in regard to sending troops abroad?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Well, it is not very easy to answer that off-hand, but I cannot help thinking that the House will agree that, if any really serious entanglement is going to occur, we are bound to have considerable notice, what we call in military parlance, a period of warning, and it is impossible to imagine that the British Empire would be thrown into a great war at a moment's notice. But there may be many smaller occasions when you have to give a quick answer, such as in regard to the holding of the western gateway of India which is Aden, and such as a threat against your nearest oil supplies in the Persian Gulf. The loss of your supplies there suddenly might put you to great inconvenience, and the answer would have to be given very very quickly indeed; but normally there would be time to consult the Legislature—

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Can we hold that in such a contingency arising Indian opinion, and particularly the opinion of the Indian Legislature, will be taken?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: I can only say, Sir, that that undertaking was given last year and I can see no reason why it

[His Excellency the Commander-in-Chief.]

should ever not be so. If we had to go to war we would wish to go to war with India with us, not against us. (Applause.)

THE HONOURABLE THE PRESIDENT: Is the Honourable Member prepared to withdraw ?

THE HONOURABLE RAI BAHADUR LALA MATHURA PRASAD MEHROTRA: Yes, Sir, I beg leave of the House to withdraw.

The Motion was, by leave of the Council, withdrawn.

The Council then adjourned till Eleven of the Clock on Wednesday, the 18th September, 1935.