

Tuesday, 14th September, 1937

THE  
COUNCIL OF STATE DEBATES

VOLUME II, 1937

*(13th September to 25th November, 1937)*

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SECOND SESSION  
OF THE  
FOURTH COUNCIL OF STATE, 1937



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CONTENTS.

	PAGES.
<b>Monday, 13th September, 1937—</b>	
Address by His Excellency the Viceroy to the Members of the Council of State and the Legislative Assembly . . . . .	1—7
<b>Tuesday, 14th September, 1937—</b>	
Members Sworn . . . . .	9
Questions and Answers . . . . .	9—35
Information promised in reply to questions laid on the table . . . . .	35—42
Agreements between the Reserve Bank of India and certain Local Governments laid on the table . . . . .	42—73
Message from His Excellency the Governor General . . . . .	74
Committee on Petitions . . . . .	74
Death of Mr. Bijay Kumar Basu and Mr. Jatindra Chandra Banerjee . . . . .	74—76
Governor General's Assent to Bills . . . . .	76—77
Bills passed by the Legislative Assembly laid on the table . . . . .	77
Standing Committee on Emigration . . . . .	77
Congratulatory to recipients of Honours . . . . .	77—79
Resolution <i>re</i> Report of the Indian Railways Enquiry Committee—Moved . . . . .	79—80
<b>Wednesday, 15th September, 1937—</b>	
Member Sworn . . . . .	81
Questions and Answers . . . . .	81—121
Resolution <i>re</i> Enquiry into the working of the E. I. R. Press—Withdrawn . . . . .	121—20
Resolution <i>re</i> Political exiles—Negatived . . . . .	126—51
Resolution <i>re</i> Recruitment to the Public Services by examinations to be held in India only—Negatived . . . . .	151—63
Resolution <i>re</i> Local Advisory Committees of the B. N. R.—Withdrawn . . . . .	163—66
Resolution <i>re</i> Protection of Indian interests in Fiji, British Guiana and Trinidad—Moved . . . . .	166
<b>Monday, 20th September, 1937—</b>	
Member Sworn . . . . .	167
Questions and Answers . . . . .	167—211
Bill passed by the Legislative Assembly laid on the table . . . . .	211
Standing Committee on Emigration . . . . .	212
Resolution <i>re</i> Protection of Indian interests in Fiji, British Guiana and Trinidad . . . . .	212—25
Indian Succession Act (Amendment) Bill—Motion to introduce and circulate, adopted . . . . .	225—27

	PAGES.
<b>Monday, 20th September, 1937—<i>contd.</i></b>	
Resolution <i>re</i> Pay of the I.C.S.—Negatived . . . . .	227—55
Shebaity Bill—Introduced . . . . .	255
Resolution <i>re</i> Nomination of members of the U.T.C. to the Indian Military Academy, Dehra Dun—Moved . . . . .	255
<b>Wednesday, 22nd September, 1937—</b>	
Member Sworn . . . . .	257
Questions and Answers . . . . .	257—80
Information promised in reply to questions laid on the table . . . . .	280
Agreement between the Reserve Bank of India and the Gov- ernment of the North-West Frontier Province laid on the table . . . . .	281—84
Library Committee of the Indian Legislature . . . . .	285
Resolution <i>re</i> Nomination of members of the U.T.C. to the Indian Military Academy, Dehra Dun—Negatived . . . . .	285—300
Cutchi Memon Bill—Introduced . . . . .	301—02
Resolution <i>re</i> Cadet Corps in schools, etc.—Negatived . . . . .	302—13
Resolution <i>re</i> Taxes on excessive profits of protected industries— Withdrawn . . . . .	313—21
Control of Coastal Traffic of India Bill— <i>To be continued</i> . . . . .	322—25
<b>Thursday, 23rd September, 1937—</b>	
Member Sworn . . . . .	325
Motion for Adjournment <i>re</i> Appointment of a non-Indian as Economic Adviser to the Government of India—Disallowed . . . . .	325—27
Resolution <i>re</i> Report of the Indian Railways Enquiry Committee— Adopted . . . . .	327—83
Statement of Business . . . . .	383
<b>Tuesday, 28th September, 1937—</b>	
Member Sworn . . . . .	385
Statement <i>re</i> Supplementary Questions . . . . .	385—89
Questions and Answers . . . . .	389—94
Statement <i>re</i> Insurance Bill . . . . .	395
Statement of Business . . . . .	395—96
Petroleum (Berar Extension) Bill—Considered and passed . . . . .	396—97
Rules and Regulations Continuance Bill—Considered and passed . . . . .	397—98
Federal Court Bill—Considered and passed . . . . .	398—99
<b>Wednesday, 29th September, 1937—</b>	
Questions and Answers . . . . .	401—05
Control of Coastal Traffic of India Bill—Motion to refer to Select Committee, negatived . . . . .	405—62

	PAGES.
<b>Saturday, 2nd October, 1937—</b>	
107 Questions and Answers . . . . .	463—80
108 Draft Conventions and Recommendations of the International Labour Conference laid on the table . . . . .	480—505
607 Agreement between the Governor of Bengal and the Reserve Bank of India laid on the table . . . . .	505—09
Cutchi Menon Bill—Motion to circulate, adopted . . . . .	509—10
VI <sup>1/2</sup> Muslim Personal Law (Shariat) Application Bill—Considered and passed . . . . .	510—11
81 Resolution <i>re</i> Ratification of the International Agreement for the regulation of production and marketing of sugar—Adopted . . . . .	511—64
Bills passed by the Legislative Assembly laid on the table . . . . .	564
61 Statement of Business . . . . .	565
<b>Tuesday, 5th October, 1937—</b>	
12 Questions and Answers . . . . .	567—94
2 Information promised in reply to questions laid on the table . . . . .	594—98
1 Bill passed by the Legislative Assembly laid on the table . . . . .	598
Indian Tariff (Second Amendment) Bill—Considered and passed . . . . .	598—99
Indian Securities (Amendment) Bill—Considered and passed . . . . .	599—600
<b>Monday, 15th November, 1937—</b>	
Members Sworn . . . . .	601
Death of Mr. Ramsay MacDonald . . . . .	601—02
VI <sup>1/2</sup> Questions and Answers . . . . .	602—19
Congratulations to Rai Bahadur A. L. Banerjee on his appointment as Assistant Registrar in the Federal Court . . . . .	619
65 Information promised in reply to questions laid on the table . . . . .	620—26
66 Agreements between the Reserve Bank of India and the Government of Bombay laid on the table . . . . .	626—30
13 Bill passed by the Legislative Assembly laid on the table . . . . .	630
81 <sup>1/2</sup> Insurance Bill—Motion to consider— <i>To be continued</i> . . . . .	631—65
<b>Tuesday, 16th November, 1937—</b>	
10 Questions and Answers . . . . .	667—68
Insurance Bill—Motion to consider— <i>To be continued</i> . . . . .	668—708
<b>Wednesday, 17th November, 1937—</b>	
Questions and Answers . . . . .	709—20
Insurance Bill—Motion to consider, adopted— <i>To be continued</i> . . . . .	721—40
<b>Friday, 19th November, 1937—</b>	
Member Sworn . . . . .	743
Questions and Answers . . . . .	743—58
Motion for Adjournment <i>re</i> Report of the Wheeler Committee on the reorganization of the Secretariat—Allowed . . . . .	759—61

	PAGE.
<b>Friday, 19th November, 1937—contd.</b>	
Information promised in reply to question laid on the table . . . . .	761
Insurance Bill—Consideration of clauses— <i>To be continued</i> . . . . .	761—94
Motion for Adjournment <i>re</i> Report of the Wheeler Committee on the reorganization of the Secretariat—Talked out . . . . .	794—815
<b>Monday, 22nd November, 1937—</b>	
Member Sworn . . . . .	817
Questions and Answers . . . . .	817—18
Motions for Adjournment <i>re</i> (1) Ratification of the International Sugar Agreements and (2) Contribution made by His Majesty's Government towards mechanization of the Army in India—Disallowed . . . . .	818—19
Insurance Bill—Consideration of clauses— <i>To be continued</i> . . . . .	819—82
<b>Tuesday, 23rd November, 1937—</b>	
Questions and Answers . . . . .	863
Information promised in reply to question laid on the table . . . . .	863—65
Insurance Bill—Consideration of clauses— <i>To be continued</i> . . . . .	865—911
<b>Wednesday, 24th November, 1937—</b>	
Information promised in reply to questions laid on the table . . . . .	913—14
Insurance Bill—Consideration of clauses— <i>concluded</i> . . . . .	914—58
<b>Thursday, 25th November, 1937—</b>	
Short Notice Question and Answer . . . . .	957
Motion for Adjournment <i>re</i> Appointment of Mr. Salt as Entomologist to the Imperial Council of Agricultural Research—Disallowed . . . . .	957—60
Information promised in reply to questions laid on the table . . . . .	960
Insurance Bill—Motion to pass . . . . .	961—74
Statement <i>re</i> Motion for Adjournment <i>re</i> Appointment of Mr. Salt as Entomologist to the Imperial Council of Agricultural Research . . . . .	975
Insurance Bill—Motion to pass, adopted . . . . .	975—97
Indian Mines (Amendment) Bill—Considered and passed . . . . .	987—91

## COUNCIL OF STATE.

*Tuesday, 14th September, 1937.*

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

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### MEMBERS SWORN :

- The Honourable Mr. Reginald Maitland Maxwell (Home Member).  
The Honourable Mr. Susil Kumar Roy Chowdhury (West Bengal : Non-Muhammadan).  
The Honourable Rao Bahadur Sir A. P. Patro (Madras : Nominated Non-Official).  
The Honourable Diwan Bahadur G. Narayanaswami Chetty (Madras : Nominated Non-Official).  
The Honourable Mr. Abraham Jeremy Raisman (Finance Secretary).  
The Honourable Rai Bahadur Satyendra Kumar Das (Bengal : Nominated Non-Official).  
The Honourable Mr. Hugh Dow (Commerce Secretary).  
The Honourable Kunwar Hajee Ismail Ali Khan (United Provinces : Nominated Non-Official).
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THE HONOURABLE THE PRESIDENT : Before proceeding with today's work, I will take this opportunity of congratulating this Council on having three Members of the Governor General's Executive Council. (Applause.) It means a great accession of strength to this Council and also raises its prestige and importance. (Applause.)

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### QUESTIONS AND ANSWERS.

THE HONOURABLE THE PRESIDENT (to His Excellency the Commander-in-Chief): Your Excellency, I understand you have important public business and you want your questions to be taken up first?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : If it is possible, Sir.

**DEATH OF ONE BOY AND WOUNDING OF ANOTHER THROUGH A GUN BEING ACCIDENTALLY DISCHARGED.**

1. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh) : Has the attention of Government been drawn to the case of what is known as the " Boy shooting case " of Bareilly in which a soldier was charged with having caused the death of a boy by shooting him with a gun as publicly reported (*Amrita Bazar Patrika*, dated the 24th May, 1937) ? What are the facts of the case and have Government taken any steps in the matter ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Government are aware of the incident. The facts of the case are as follows :—

A non-commissioned officer of the Oxfordshire and Buckinghamshire Light Infantry stationed at Bareilly went on a shooting trip on the 4th April, 1937. His gun was accidentally discharged, killing one boy and injuring another. The non-commissioned officer was tried by civil court and sentenced to a fine of Rs. 350, or in default of payment, to six months imprisonment. The amount was realised and paid to the father of the deceased boy. The non-commissioned officer has been prohibited by the Military Authorities from possessing a firearm and from receiving a shooting pass for the remainder of his time in India.

**FINANCIAL EFFECT OF RECENT CHANGES IN KIT FOR BRITISH TROOPS SERVING IN INDIA.**

2. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh) : Will Government state whether there has been any change recently introduced, relating to the provision of kit for soldiers in the Army and, if so, what is the nature of this change, and how does it affect the finances of Government ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : Certain proposals are under consideration which will bring the British soldier serving in India into line with the British soldier serving in other parts of the Empire.

These are briefly as follows :—

(1) Increases to the allowances for repair and washing of clothing, and for hair cutting. This allowance is only admissible during the first year on the Indian establishment.

(2) A free issue of certain minor items to British recruits enlisted in India.

(3) A free issue of regimental buttons.

(4) A free issue of certain articles of tropical kit.

(5) Reduction in scale of clothing of one helmet.

Until a final decision on all these items has been arrived at, it will not be possible to state the recurring financial effect.

**THE HONOURABLE MR. HOSSAIN IMAM :** Are these things allowed to British soldiers in England ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** No, Sir.

**THE HONOURABLE MR. P. N. SAPRU :** Are these things to be allowed in the case of Indian soldiers also ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** Indian soldiers all get free kit.

**TRAINING AND PROMOTION OF OFFICERS IN THE INDIAN ARMY.**

**3. THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY :** Will Government be pleased to state the average time required for an officer in the Indian Army for being trained as an officer and being promoted from one office to another and the time required to attain the highest office in ordinary times as compared with the position in these respects during the last Great War ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** 1. As regards the position in the War of 1914—1919 :—

Cadets trained as officers at the Quetta and Wellington Cadet Colleges did a one year's course.

The time-scale for promotion during the War was as follows :—

2nd Lieutenant to Lieutenant	..	1 year.
Lieutenant to Captain	..	4 years.
Captain to Major	..	15 years.
Major to Lieutenant-Colonel	..	By selection or after 26 years' service.
Higher ranks		Were made by selection. Such records as are available make it difficult to estimate the average age for the various higher ranks.

2. As regards existing peace rules :—

Cadets commissioned from Sandhurst undergo 1½ years' training, while those from the Indian Military Academy undergo 2½ years' training, but the latter receive antedates of approximately one year to compensate them for the one year longer course at the Indian Academy.

After being commissioned King's commissioned officers of the Indian Army and officers of the Indian Land Forces (including officers of all Indian Departments, but excluding the Indian Medical Service) are eligible, if qualified and recommended, for promotion to the rank of lieutenant, captain, major or lieutenant-colonel, respectively, on completing 2½, 9, 18 and 26 years' service (including any service on the non-effective list specially permitted to count towards promotion or from the date from which their service for promotion in the Indian Army reckons). Promotion to the rank of lieutenant-colonel may be by selection but promotion to colonel and upwards is invariably by selection.



The average age at which the promotion at present takes place is as follows :—

Colonel ..	..	48½ years.
Major-General	..	52½ years.
Lieutenant-General	..	56 years.
General	..	60 years.

A modification has been introduced in respect of officers commissioned on or after 1st October, 1934. For them there is a new modified time-scale as follows :—

2nd Lieutenant to Lieutenant	..	2½ years.
Lieutenant to Captain	..	On or after completion of 9 years' service if a vacancy exists in the fixed establishment; otherwise on completion of 11 years' service.
Captain to Major		On or after completion of 16 years' service if a vacancy exists in the fixed establishment; otherwise on completion of 20 years' service.
Major to Lieutenant-Colonel	..	By selection to fill vacancies in a fixed establishment.
Higher ranks	..	By selection.

None of the officers affected have yet reached these ranks and it is not possible to state at what age they will.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: How is the relative seniority of Indian and British cadets determined?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: There is no differentiation.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Suppose in a year you get 30 cadets passing out of the Indian Military Academy—

THE HONOURABLE THE PRESIDENT: Please do not argue. Just put your question.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I was merely giving an illustration.

THE HONOURABLE THE PRESIDENT: I think everybody will understand the question.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: I am glad I need not give an illustration. There are candidates passing out in India and passing out in England. Are they placed in a common list when they are employed?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Certainly. In this connection, I presume the Honourable Member is referring to Indians, none of whom are now passing out in England.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU:** The Indian Army now employs two kinds of officers—British and Indian. How is their relative seniority determined?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** It depends on when they pass out. If they pass out on the same date, then they are put on the same date.

COST OF THE OPERATIONS IN WAZIRISTAN.

4. **THE HONOURABLE MR. V. V. KALIKAR:** Will Government be pleased to state the amount incurred over the expedition in Waziristan against the hostile tribes, since November last up to date?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** There are still many uncertain factors in the accounts and no figures regarding the expenditure incurred can be given at present.

FINANCIAL EFFECT OF THE ISSUE OF A THIRD KHAKI DRILL UNIFORM, ETC., TO BRITISH TROOPS SERVING IN INDIA.

5. **THE HONOURABLE MR. V. V. KALIKAR:** (a) Has the Defence Department sanctioned a free issue of a third khaki drill suit and helmet to British soldiers from the next trooping season? If so, why?

(b) Will Government be pleased to state the additional cost the Indian exchequer will have to bear for giving free of cost a third khaki drill suit and helmet?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** (a) The proposal is under consideration. The reason for the proposal is that British troops posted to Imperial stations with a climate similar to that of India enjoy this concession, and it is necessary that those posted to India should be treated in the same way.

(b) Until a final decision on all items has been arrived at, it will not be possible to state the recurring financial effect.

COST OF MUNITIONS, ETC., IMPORTED FOR DEFENCE SERVICES AND PURCHASED BY STATE RAILWAYS, RESPECTIVELY.

6. **THE HONOURABLE SIR PHIROZE SETHNA:** Will Government be pleased to state for each of the last two years the cost of material imported to supply the respective requirements for (1) Defence purposes and (2) for Railway administration from outside India in the shape of—

(i) Munitions.

(ii) Ammunition.

(iii) Cloth and leather for uniforms, etc.

(iv) Machinery for railway carriages and engines.

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** As regards the Defence Services, I lay a statement on the table containing the required information. As regards the Railways, the replies are as follows:—

(iii) The value of imported cloth and leather for uniforms purchased by State-owned Railways is negligible.

(iv) The value of imported workshop machinery, plant and equipment including pneumatic machinery and tools purchased by State-owned Railways, excluding Burma Railways, during 1935-36 was Rs. 25·53 lakhs and during 1936-37 Rs. 21·44 lakhs.

*Statement.*

Description of stores.	1935-36.		1936-37.	
	Cost inclusive of sea freight.	Customs duty.	Cost inclusive of sea freight.	Customs duty.
	Rs.	Rs.	Rs.	Rs.
Warlike stores (excluding ammunition) ..	2,80,963	4,147	3,85,318	5,147
Ammunition (explosives) ..	1,85,589	3,013	5,03,434	7,360
Materials for uniforms ..	32,653	6,533	4,61,227	92,253
Total ..	4,99,205	13,693	13,29,979	1,04,760

DESPATCH OF TROOPS TO CHINA.

7. THE HONOURABLE MR. KUMARSANKAR RAY CHAUDHURY: Have any troops been sent to China? If so, for what purpose, and what is their number, composition and nationality?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: One Indian infantry battalion has been despatched to Hong Kong for internal security duties. The composition and strength is as follows:—

British officers .. .. .	6	[Includes one medical officer (I. M. S.)]
King's commissioned Indian officer, ..	1	
Indian commissioned officers ..	6	
Viceroy's commissioned officers ..	13	(Includes 1 sub-assistant surgeon.)
Indian warrant officers ..	2	
Indian other ranks ..	635	
Total ..	663	

In addition the unit was accompanied by 72 followers. The class composition of the unit is as follows:—

- Rajputana Jats.
- Rajputana Rajputs.
- Punjabi Musalmans.

**THE HONOURABLE MR. P. N. SAPRU:** What is the population of Indians in Hong Kong? How many Indians are there in Hong Kong?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** I am afraid I cannot say.

**THE HONOURABLE MR. HOSSAIN IMAM:** Will the British Government pay for the cost of the British Army from the time of its leaving the station?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** Yes, the British Government will pay the cost of the battalion from the time it left its station.

**COST OF AIR-CONDITIONING BARRACKS OCCUPIED BY BRITISH TROOPS IN INDIA.**

**8. THE HONOURABLE MR. V. V. KALIKAR:** (a) Is it proposed to air-condition the barracks of British soldiers in India?

(b) If the answer to part (a) is in the affirmative, will Government please state the additional cost the Indian exchequer will have to bear to construct the proposed new air-conditioned barracks or to turn the old barracks into air-conditioned barracks?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** (a) and (b). It is not a fact that the Army Authorities have any scheme in hand. All that is happening is that the subject of air-conditioning is under examination to discover its advantages and disadvantages. The medical and structural engineering aspects are now under investigation and certain very minor experiments may be carried out if the results of the present investigation prove to be promising.

Until further progress has been made it will not be possible to say whether the air-conditioning of barracks is a feasible proposition, desirable or financially economical nor to estimate the cost of any particular or general scheme for the purpose.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU:** Will this scheme apply only to British soldiers or to Indian soldiers also?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** When it comes into effect, I hope it will apply to the whole of India.

**THE HONOURABLE MR. HOSSAIN IMAM:** Will His Excellency the Commander-in-Chief postpone the final decision on this matter until he has informed the Legislature?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** I cannot answer that straightaway. If it is an economical proposition, I am sure you will have no objection to it, will you?

**THE HONOURABLE THE PRESIDENT:** You are entitled to notice.

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** Yes, I would like to have notice of that question.

**COST OF AIR-CONDITIONING BARRACKS OCCUPIED BY BRITISH TROOPS IN INDIA.**

**9. THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): Is there any project to air-condition the barracks of British soldiers in India? If so, what are the main outlines of the scheme, and what will be the approximate expenditure, recurring and non-recurring?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF**: I refer the Honourable Member to the reply I have just given to the Honourable Mr. Kalikar's question No. 8 on the same subject.

**TRANSFER OF THE ROYAL INDIAN NAVAL BOYS' TRAINING ESTABLISHMENT FROM BOMBAY TO MANORA.**

**10. THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): Is there a proposal for starting a Royal Indian Navy Military Training School at Manora and will a naval ship be stationed at Karachi for the final training of cadets at sea, after the preliminary coaching at Manora? If so, will Government make a statement on the subject giving the main details of the scheme, the courses of instruction, and the financial and other aspects of the proposal?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF**: The Honourable Member is apparently referring to the proposed transfer of the Boys' Training Establishment from Bombay to Manora. At present the training of boys is carried out in H. M. I. S. "Dalhousie" at Bombay. "Dalhousie" is overdue for replacement but for several reasons we have decided that in future boys will be trained not in a stationary hulk but ashore. Bombay is not considered to be an ideal place for this purpose. A suitable site has been selected at Manora.

The only vessel which it is proposed to station at Karachi for the sea training of boys is H. M. I. S. "Pathan," which is at present used as a tender for the existing Boys' Training Establishment and will continue to be used in that capacity at Karachi.

A copy of the orders containing the existing rules regarding the entry, enrolment, training, etc., of R. I. N. ratings has been placed in the Library of the Legislature. No change in those rules is contemplated.

The scheme, which involves construction of certain buildings, etc., at Manora, including the cost of land already acquired will, it is estimated, cost Rs. 10 lakhs approximately.

**THE HONOURABLE MR. G. S. MOTILAL**: Where is Manora, may I ask?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF**: Just opposite to Karachi; Karachi harbour.

**THE HONOURABLE MR. G. S. MOTILAL**: Why is Bombay not suitable?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF**: It is not big enough. It is so very expensive and so congested that it is quite impossible to get the site we want there.

CONSTRUCTION OF A SLAUGHTER HOUSE IN LAHORE CANTONMENT.

11. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh) : (a) Is there a scheme to have a central slaughter house built in Lahore Cantonment to keep meat in cold storage for despatch to various units of the Army in India ? Has this proposal emanated from the Government of India ?

(b) Will Government make a statement giving the details of the scheme, including its financial and other aspects ?

(c) Has the proposal given rise to widespread agitation among the Hindus ? Were any Hindus consulted in the matter ? If so, who were these Hindus, and what was their opinion ?

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

(b) As regards details of the scheme, I refer the Honourable Member to the Press communique issued on the 6th September, 1937 on the subject. The capital expenditure on the scheme is estimated at Rs. 28½ lakhs and the recurring expenditure at Rs. 4,63,680 per annum which we are committed to pay from the 1st April, 1938 to the Cold Storage Co. of India, Ltd., for a period of 15 years for the hire of necessary cold storage space.

(c) Yes, but it is believed that their agitation is due to misunderstandings and misrepresentations. The Punjab Government consulted public opinion including that of Hindus which was unanimously to the effect that no exception could be taken to the scheme on religious grounds. I am not able to disclose the names of the individuals consulted.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Have the Punjab Government recently changed their opinion on the subject and communicated it to the Government of India ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I cannot answer that question at the present moment ; it is still under consideration.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS : In view of the strong and unanimous recommendation made by the Punjab Government for the abandonment of this project, when are the Government of India likely to come to a decision ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I cannot tell you when a decision is likely. All I can tell you is that it is under consideration.

THE HONOURABLE MR. HOSSAIN IMAM : Has the work been postponed ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : It has automatically been postponed owing to a strike.

THE HONOURABLE MR. HOSSAIN IMAM : What about the cold storage scheme ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : It has not been completed yet. That is all included in the whole scheme.

COST OF FRONTIER OPERATIONS UNDERTAKEN DURING THE LAST FOUR FINANCIAL YEARS ?

12. THE HONOURABLE MR. HOSSAIN IMAM : Will Government state separately for each of the last four financial years the cost of Frontier operations ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The extra cost of Frontier operations undertaken during the last four financial years is as follows :—

1933-34	..	Rs. 34·01 lakhs.
1934-35	..	Nil.
1935-36	..	Rs. 38·76 lakhs.
1936-37	..	Rs. 39·95 lakhs.
		Total .. Rs. 112·72 lakhs.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : What about the current year ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I expected this question. It has been asked in another place. There are still so many uncertain factors in the accounts that it is impossible to give figures at the moment. The matter is being examined and I hope that it will be resolved very shortly.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Can His Excellency give us the approximate cost of the Waziristan operations ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : The figure that has been mentioned in another place is a lakh a day, but I must say that I think this is an excessive estimate. I have very good reasons for saying so.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Could His Excellency give us an approximate idea of the total cost incurred so far ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I regret I cannot.

NUMBER OF CASUALTIES AND COST OF THE OPERATIONS IN WAZIRISTAN.

13. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh) : Is the trouble in Waziristan costing the Indian exchequer one lakh of rupees per day on an average ? Since when did the operation against the hostile tribes begin and what is the amount of total expenditure up to date and the number of casualties ? And how long is the trouble likely to continue ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : As regards daily cost of operations I refer the Honourable Member to the reply I gave today to the Honourable Mr. V. V. Kalikar's question No. 4 on the same subject.

As regards the date on which the operations began, I refer the Honourable Member to a " Summary of Important Matters concerning the Defence Services in India, 1936-37 ", a copy of which has been supplied to him.

As regards casualties, the following are the figures for the Defence Services for the period 17th February, 1937 to the 17th August, 1937 :—

Killed	..	..	..	..	..	..	169
Wounded	..	..	..	..	..	..	419

During the same period and as far as could be ascertained, the tribesmen suffered the following casualties :—

Killed						689
Severely wounded	..	..	..	..	..	559

No one can say how long the operations are likely to continue. Government have offered peace terms to the tribes and it remains to be seen whether they comply with them or not.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** Do Government propose to issue an account of the Waziristan operations, giving some idea of the objectives aimed at and the results obtained ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** That, I am afraid, you will have to wait for. After operations it is always usual to issue despatches which will contain all information.

**THE HONOURABLE MR. HOSSAIN IMAM :** Do Government propose to modify the peace terms if they are not accepted by the tribes ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** I am afraid I cannot answer that question.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** May I ask if, apart from the despatches that are usually issued, Government will issue a statement easily intelligible to the layman ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** The despatches will be absolutely intelligible to anybody.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU :** We shall then wait for it, Sir.

**THE HONOURABLE MR. P. N. SAPRU :** Do Government propose to issue any communique about the Waziristan operations so that an ordinary layman might be able to understand what is happening there, what the reasons for these operations are ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** Well, Sir, all I can say is that we have been most careful from the very start of the operations to issue communiqes every day if possible.

**THE HONOURABLE MR. P. N. SAPRU :** What I meant was a connected account of the reasons for the operations and as to how the operations have progressed and what the ultimate aims of the operations are ?

**HIS EXCELLENCY THE COMMANDER-IN-CHIEF :** I think you will find that included in the pamphlet which I have just mentioned.

**THE HONOURABLE MR. P. N. SAPRU :** I was thinking of a communication to the press which might be read by everybody in the country who is interested in the business.



**HIS EXCELLENCY THE COMMANDER-IN-CHIEF:** This pamphlet I have referred to is practically a summary of all the communiques issued from day to day as far as we have been able to do so.

#### PROPOSED EMPIRE AIR MAIL SCHEME.

14. **THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): (a) Will Government kindly make a statement giving the details of the proposed Empire Air Mail Scheme on the trans-India seaplane section, indicating briefly the route, the landing places, their special problem and solution, the financial implications of the Scheme, and the approximate time of its inauguration?

(b) What will be the position of the Imperial Airways *vis-à-vis* the proposed Empire Air Mail Scheme, and what financial or other facilities will be provided by Government to each of them?

**THE HONOURABLE MR. A. G. CLOW:** (a) and (b). The attention of the Honourable Member is invited to the Memorandum on the subject of the Empire Air Mail Scheme submitted to the Standing Finance Committee, included in the proceedings of that body (Volume XVI—No. 5) dated the 27th February, 1937. This gives full details relating to the Scheme, so far as India is concerned. The Scheme is expected to come into operation in India at the beginning of 1938.

Imperial Airways will be the main Company operating the services under the Scheme, in association with other companies registered in participating countries other than the United Kingdom; thus in India Imperial Airways will operate the two landplane services between London and Calcutta jointly with Indian Trans-Continental Airways, an Indian Company.

**THE HONOURABLE MR. P. N. SAPRU:** Were tenders invited from any other company also apart from Imperial Airways?

**THE HONOURABLE MR. A. G. CLOW:** I think if the Honourable Member refers to the Memorandum I have mentioned he will find full particulars of the scheme.

**THE HONOURABLE MR. HOSSAIN IMAM:** Has that Memorandum been circulated to us?

**THE HONOURABLE MR. A. G. CLOW:** I think these proceedings are placed in the Library. It is not customary to circulate the proceedings of the Standing Finance Committee of another House to Members.

#### TOPOGRAPHICAL SURVEY OF CENTRAL HIMALAYAS.

15. **THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): Will Government kindly give a short account of the topographical survey of the Central Himalayas initiated by the Survey of India, indicating the period and area of operation, the approximate cost, and the results that are likely to be achieved?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD:** No. 1 Party of the Survey of India took up in September, 1935 the topographical programme,

which in three years is expected to complete the modern survey on the  $\frac{3}{4}$ -inch scale of the Kumaon, Garhwal and Tehri Himalaya.

The total area concerned is about 5,300 square miles. Of this area—

- (a) 965 square miles was completed in the autumn and early winter of 1935 ;
- (b) 1,410 square miles during the period, September—November, 1936 ;
- (c) About 1,425 square miles is expected to be surveyed during the field season, April—June, 1937 ;
- (d) and the rest is expected to be completed during September—November, 1937 and April—June, 1938.

(2) The cost of triangulation and plane table survey is expected to be about Rs. 28 per square mile, so that the estimated cost of the whole area would be about Rs. 1,48,400.

(3) The maps at present available were compiled principally from reconnaissance and exploratory surveys and are therefore extremely sketchy in nature. The Survey now in progress will replace these by up-to-date modern maps for which, in view of the increased interest taken by the travellers in the Himalayas, a good demand is expected to develop.

#### INCURSIONS OF FOREIGN SHIPPING INTO THE INDIAN COASTAL TRADE.

16. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh) : (a) Are vessels of certain foreign nations intervening in the Indian coastal trade and proving a menace to the Indian and British shipping interests ?

(b) What steps, if any, have been taken by Government to obtain statistics and other details regarding the extent to which this intervention of foreign vessels is occurring, and by ships of what nationality and also what steps have been taken to prevent such intervention in future ?

THE HONOURABLE MR. H. DOW : (a) From time to time there have been incursions of foreign, mainly Japanese, shipping into the Indian coastal trade. Such incursions are not legally barred at present, but Government have the whole question under active consideration, and have no intention of allowing such intrusion to become a menace to Indian or British shipping.

(b) No separate statistics are maintained, but instances of such intrusion, if of a serious nature, are naturally brought to Government's notice by the Indian or British interests which are adversely affected. I should explain that the figures of tonnage of various foreign nations in the Indian coastal trade which appear in the published accounts relating to the coastal trade and navigation of British India consist almost entirely of the tonnage of ships in foreign trade which on their inward voyages discharge part of their cargo at one Indian port and then proceed to another Indian port, or which on their outward voyages load with part cargo for a foreign port and part for some other port in British India. The question of recording separately the foreign tonnage actually engaged in coastal trade is being considered.

### ESTABLISHMENT OF A FEDERAL UNIVERSITY IN INDIA.

17. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh): (a) Do Government propose to create a Federal University for India and, if so, what are the outlines of the scheme and its financial implications?

(b) Where is it proposed to locate this University and will any opportunity be given to the Central Legislature to express its opinion in the matter?

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD: (a) Government are not considering any proposal for the creation of a Federal University for India. It is, however, proposed to develop the Delhi University into one of the federal type.

(b) Does not arise.

### SEIZURE OF BOOKS OF RETURNING INDIAN STUDENTS.

18. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh): (a) Was the baggage of an Indian student while returning from abroad searched at Bombay about the 14th January, 1937, and were some 52 books seized? Who was the student, from what country was he returning and what are the names of the books that were seized from him?

(b) How many students were involved in similar searches during the two years, and will Government be pleased to give some definite information of such incidents?

THE HONOURABLE MR. R. M. MAXWELL: (a) Yes. The name of the student is N. S. Junankar. He was returning from England. Fifty-two books were found in his baggage. Of these 45 were publications the importation of which is prohibited under section 19 of the Sea Customs Act. Five books were withheld under section 168 of that Act since Mr. Junankar refused the option of redeeming these books on payment of a fine of Rs. 5. Two books were returned. It would not be in the public interest to give the names of the books seized.

(b) Customs declarations do not always state whether a passenger is a student. So far as is known, books have been confiscated from persons of student age in five other cases in the last two years, the total number of books being 14. One of these books was confiscated under section 18 (c) of the Sea Customs Act as being obscene. The remainder were books whose entry into India has been prohibited under section 19 of that Act.

THE HONOURABLE MR. P. N. SAPRU: Will the Honourable Home Member be pleased to explain how it would not be in the public interest to give the names of these books?

THE HONOURABLE MR. R. M. MAXWELL: There is no reason to give them a free advertisement, Sir.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Will the proscription of books in the provinces depend in future on the Government of India or on the new Provincial Governments?

**THE HONOURABLE MR. R. M. MAXWELL:** We are not talking of the proscription of books in provinces but of importation through British Indian ports. Importation through the ports is prohibited under section 19 of the Sea Customs Act and the proscription of books in provinces is under section 99A of the C. P. C. or under section 19 of the Press Emergency Powers Act.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU:** The Provincial Governments may not proscribe a particular book but the Government of India may prohibit its importation into the provinces?

**THE HONOURABLE MR. R. M. MAXWELL:** If they prohibit its importation into India, Sir.

**PROPOSED EMPIRE AIR MAIL SCHEME.**

19. **THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): Will Government be pleased to make a statement regarding the proposal of inaugurating a new air mail service, under which speedier air mail communications will be established between England and India, and other parts of the Empire? When is this scheme likely to come into operation so far as India is concerned, and what will be the time taken for the air mail to reach India from London or *vice versa*; and what will be the postal charges?

**THE HONOURABLE MR. A. G. CLOW:** The attention of the Honourable Member is invited to the reply which I have just given to his question No. 14. The Memorandum to the Standing Finance Committee referred to therein gives the particulars which the Honourable Member wants, except that, as I have already stated, the probable time of inauguration is the beginning of next year.

**SEIZURE OF CERTAIN BOOKS BROUGHT TO INDIA BY AN INDIAN STUDENT AND INDIAN DOCTOR.**

20. **THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): (a) In May last, while the luggage of passengers who had arrived in Bombay by the steamer "Maloja" was being examined by the Custom Authorities, were five books belonging to an Indian girl student and an Indian doctor seized on suspicion?

(b) What are the facts of the case, who were the girl student and the doctor, what were the books seized, and on what grounds?

**THE HONOURABLE MR. R. M. MAXWELL:** (a) Yes.

(b) The persons concerned were Miss Shanta Gandhi and Dr. V. T. Mangalik. While the passengers were landing from the "Maloja" on the 20th May last, Dr. Mangalik was seen handing over to another passenger two books which were found, on examination, to be objectionable. The Doctor stated that the books belonged to a fellow passenger—Miss Gandhi. Their luggage was searched and three more books were detained. Two of these were subsequently returned to their respective owners as unobjectionable. The third which belonged to Miss Gandhi, and those seized originally

were confiscated as their importation is prohibited under section 19 of the Sea Customs Act. It would not be in the public interest to give the names of the books seized.

THE HONOURABLE MR. HOSSAIN IMAM : May I know the section under which these books are proscribed ?

THE HONOURABLE MR. R. M. MAXWELL : Section 19 of the Sea Customs Act. That is a section under which the importation of any article into British India may be prohibited.

THE HONOURABLE MR. P. N. SAPRU : Has there been a Notification prohibiting the importation of these books ?

THE HONOURABLE MR. R. M. MAXWELL : Yes, Sir.

THE HONOURABLE MR. HOSSAIN IMAM : Will the Government give the date from which they were prohibited ?

THE HONOURABLE MR. R. M. MAXWELL : There was a general Notification in 1932 by which the importation of publications emanating from the Communist International or affiliated bodies was prohibited.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Can Customs Officers also seize books at their discretion ?

THE HONOURABLE MR. R. M. MAXWELL : No, Sir.

THE HONOURABLE MR. P. N. SAPRU : If there are Communist Governments in the provinces how would you propose to solve the problem ?

THE HONOURABLE THE PRESIDENT : It is a hypothetical question and I disallow it.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : If Customs Officers cannot exercise their discretion, how is it that they detain books in order to examine them ?

THE HONOURABLE THE PRESIDENT : That is a matter of opinion and I disallow it.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU : Can I not ask, Sir, why Customs Officers detain books ? Have they the power to keep books with them for a time in order to examine them even though those books may not be in the proscribed list ?

THE HONOURABLE MR. R. M. MAXWELL : If a Customs Officer has reason to suppose that any book imported falls within the scope of the Notification, he is bound to detain it in order to examine it if any doubt arises.

THE HONOURABLE MR. HOSSAIN IMAM : Are all these books of a communist trend ?

THE HONOURABLE MR. R. M. MAXWELL : Those which were detained were.

**NON-DELIVERY OF TWO COPIES OF THE BOOK ENTITLED *World Politics*.**

21. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh): Did Mr. Dharamyash Dev despatch from England two copies of a book called Palme Dutt's *World Politics* to two friends in India about Christmas last, and did the books never reach the addressees? Is this book proscribed in India? If so, since when?

THE HONOURABLE MR. R. M. MAXWELL: Without information as to who the addressees were, I can clearly not answer the first part of the question. But the entry into British India of this book is prohibited under a Notification issued under section 19 of the Sea Customs Act and the copies despatched by Mr. Dev may have been withheld in consequence.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Is the importation of these books prohibited in England?

THE HONOURABLE MR. R. M. MAXWELL: The section to which I referred prohibits the importation into British India. It has nothing to do with England.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU: Can the Honourable Member tell us whether the importation of these books into England is prohibited?

THE HONOURABLE MR. R. M. MAXWELL: I cannot give information about the law of England.

THE HONOURABLE MR. P. N. SAPRU: Is Mr. Palme Dutt living in England and writing these books in England and the publishers are English booksellers?

THE HONOURABLE THE PRESIDENT: A book may be written in England and yet proscribed in this country.

THE HONOURABLE MR. P. N. SAPRU: Because conditions are different in these two countries?

THE HONOURABLE MR. R. M. MAXWELL: I am afraid I am not conversant with Mr. Palme Dutt's personal history.

**COLLISION BETWEEN A PASSENGER TRAIN AND A GOODS TRAIN AT NIGOHAN STATION, E. I. R.**

22. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh): Did a collision occur on or about the 26th May, 1937 between 158-Down Passenger and 620-Down Through Goods trains at Nigohan Station (E. I. R.) near Lucknow resulting in injuries to the guard of the goods train and a few passengers? What was the cause of the accident; who was responsible for it; and what steps, if any, have been taken in the matter?

THE HONOURABLE SIR GUTHRIE RUSSELL: Yes. No. 158-Down Passenger train collided with the rear of 620-Down Through Goods train at Nigohan on the night of May 25th-26th, 1937 due to the down outer and down

loop home signals not being returned to danger after the arrival of 620-Down Goods train, and prior to "permission to approach" being given to 158-Down Passenger train.

The assistant station master and the pointsman concerned are being prosecuted by the Police under section 101 of the Railway Act.

The guard of the goods train was injured as also two passengers and a fireman of 158-Down Passenger.

**BAIDYANATH DHAM DEOGHAR STATION, E. I. R.**

23. **THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): (a) Is Baidyanath Dham Deoghar (E. I. R.) an important place of Hindu pilgrimage, as well as a health resort within easy reach of Calcutta? Do a large number of pilgrims as well as well-to-do and business people frequently visit the place and reside there?

(b) Is there no telephone connection at Deoghar?

(c) Will the telephone traffic return to be anticipated from installation of a telephone there more than make up for the expense of such installation; and do Government propose to consider the question of such installation?

(d) Do no Mail or important Express trains stop at Jasidih (E. I. R.)? Do Government propose to arrange for the stoppage of important trains at Jasidih?

(e) Are there no fences on the railway line between Jasidih and Baidyanath Dham (E. I. R.)? And do Government propose to have the fencing put up?

**THE HONOURABLE MR. A. G. CLOW**: (a) I understand that the facts are as stated by the Honourable Member.

(b) There is no telephone connection.

(c) Investigations which were made in June, 1936 showed that there was no prospect of securing enough subscribers to make a telephone exchange pay its way. Another investigation will be made to see whether there are any better prospects now when the question of installing also a trunk telephone connection at Deoghar will be considered.

(d) I am informed that Mail and Express trains do not stop at Jasidih, as they are long distance trains intended mainly for passengers travelling to destinations beyond that place. Such trains cannot be stopped at intermediate stations which they are not intended to serve, without seriously inconveniencing long distance passengers.

Six up trains (from Howrah) and six down trains (from Moghalsarai) stop at Jasidih. I understand that, to meet the wishes of passengers to and from the sanatoria stations in Bihar, the E. I. R. authorities have altered the timings of one fast Passenger train and have also introduced a Baidyanath Dham service.

(e) The line on the section mentioned is unfenced. The policy of Government is to leave the matter of fencing any section of the line to the discretion of the Railway Administration.

**THE HONOURABLE MR. HOSSAIN IMAM :** How far is the trunk telephone line from Deoghar Station ?

**THE HONOURABLE MR. A. G. CLOW :** I do not know, Sir.

**THE HONOURABLE MR. HOSSAIN IMAM :** About part (e). Have the Government considered it in the light of the recommendations of the Wedgwood Committee on the question of fencing ?

**THE HONOURABLE SIR GUTHRIE RUSSELL :** Yes, Sir. We propose to fence no more lines.

**FINANCIAL ARRANGEMENTS WITH TATA SONS, LTD., FOR THE OPERATION OF THE KARACHI-COLOMBO AIR SERVICE UNDER THE EMPIRE AIR MAIL SCHEME.**

24. **THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh) : Have negotiations between Government and Tata and Sons been completed with regard to improved air service and the training of Indian pilots ? What are the details of the arrangements arrived at ?

**THE HONOURABLE MR. A. G. CLOW :** The financial arrangements with Tata Sons, Ltd., for the operation of the Karachi-Colombo Air Service under the Empire Air Mail Scheme are explained in paragraphs 7 and 8 of the Memorandum to the Standing Finance Committee of the Legislative Assembly on the subject of the Empire Air Mail Scheme, included in the proceedings of that body for the 27th February, 1937. The remaining matters, which are still under consideration, are either technical or relate to points of detail. No stipulation in regard to the training of Indians by Messrs. Tata Sons, Ltd., is intended since the Company's Aviation Department is not a training institution, but the arrangements under contemplation include a provision to the effect that the Company will use their best endeavours to employ suitably qualified Indian personnel as far as possible.

**SARDAR ABDUL KHALIQ KHAN, AFGHAN POLITICAL PRISONER.**

25. **THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh) : Did Sardar Abdul Khaliq Khan, an Afghan political prisoner, under Regulation III of 1818 suddenly try to leave the town on or about the 27th May last, and was he stopped in time by the authorities and taken into custody ?

(b) What are the facts of the case, and what was the ground put forward by him for trying to leave the town ?

(c) Has he been lodged in jail, instead of being kept in his residence, and why ?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD :** (a) Yes.

(b) He attempted to leave Ranchi without orders, and was therefore detained in the Ranchi Jail temporarily. His object was to return to Afghanistan without waiting for formal orders regarding his repatriation. He has since been sent back to Afghanistan.

(c) No.



**DEATH OF SURVEYOR MIAN MOHAMMAD AT KOSHA GLACIER.**

26. **THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): Will Government kindly state the circumstances under which a surveyor, Mian Mohammad, of No. 1 Party of the Survey of India, was killed while on duty at Kosha Glacier situated about 12 miles from the east of Badrinath (Garhwal) in course of the survey operations of Gangotri and Kawat ?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD**: On the 24th May, 1937, Surveyor Mian Mohammad, of No. 1 Party, the unit engaged on the survey of the Himalayan areas of Garhwal and Almora districts, was proceeding over the Kosha Glacier near its head, some ten yards ahead of his party of one khalasi and three local village men engaged for transport of kit. The risk of passage along a major glacier is reduced to a minimum, provided that the routine precautions of mountain climbing are observed, which include the roping together of the party. Such precautions are explained and demonstrated to all surveyors each season. The conditions on the day of this surveyor's journey were such as to make roping particularly necessary. Unfortunately, however, his party was not roped. He fell into a crevasse to which his men proceeded at once, let down a rope and called to him for several hours without any response. It was not possible to form a search party as grave risks would have been involved thereby to other human lives and the chances of finding and extricating the body were very small. Crevasses may be several hundred feet deep and a person who falls into one cannot, owing to the extreme cold, survive more than a few hours, even if he is unhurt by the fall.

**THE HONOURABLE MR. HOSSAIN IMAM**: Have the Government given any gratuity to the dependents of the Surveyor killed ?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD**: I am afraid I have no information and I must ask for notice of that question.

**THE HONOURABLE MR. HOSSAIN IMAM**: Will the Government consider the desirability of giving a gratuity ?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD**: Certainly, Sir.

**DEVELOPMENT OF THE DELHI UNIVERSITY INTO ONE A FEDERAL TYPE.**

27. **THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): Will Government kindly make a statement regarding establishment of a Delhi Federal University, indicating briefly the scope of its educational and other activities, its financial implications, its location and the probable time when it is expected to come into existence ?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD**: It is proposed to develop the Delhi University into one of the federal type as circumstances permit. The main conditions which are essential to the evolution of a University of this type are briefly :—

- (i) The University and its constituent colleges should be situated in close proximity to each other ;
- (ii) Each constituent college should be actively engaged in work of a University standard ;

- (iii) Each constituent college should be prepared to forego some measure of its autonomy in order to share in, and contribute to, the life and government of the University as a whole ;
- (iv) The actual teaching should as far as possible be provided by constituent colleges under the guidance of the University ; and
- (v) The University should supplement, not supplant, the teaching of colleges and that mainly in subjects which are beyond the normal scope of colleges or in which centralised teaching is advisable.

As the first step towards the realisation of this ideal, the Government of India have placed the Old Viceregal Lodge Estate at Delhi at the disposal of the University. The Delhi Colleges, other than one, however, are not yet in a position to construct the necessary buildings and move to the new site on account of financial considerations. Government have already assisted one College with a substantial grant. Proposals for the introduction of co-operative teaching for post-graduate students are under consideration and when formulated, will be sympathetically considered by Government. The construction of hostels for such students, and the erection of an up-to-date Physics Laboratory at Government expense are now under consideration. It is not possible to state at present how long it will be before the scheme is fully carried out.

**THE HONOURABLE MR. P. N. SAPRU :** Has Government placed a special officer on duty to consider this question of a Federal University for Delhi ?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD :** No, no special officer has been appointed. The Educational Commissioner is examining the matter.

**THE HONOURABLE MR. HOSSAIN IMAM :** Is the Federal University going to wait for the coming of Federation ?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD :** I think my Honourable friend is in as good a position as I am to answer this question.

**THE HONOURABLE RAO BAHADUR SIR A. P. PATRO :** Is it proposed to add one more University to the existing number of Universities as an examining body ?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD :** The University is already there, Sir. There is no proposal to add another.

**THE HONOURABLE RAO BAHADUR A. P. PATRO :** In the reorganisation of the Delhi University, is it to be an examining body or is it to be a teaching University ?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD :** I have said, Sir, it is going to be a University of the federal type and I have explained what a University of the federal type is.

CONVENING OF AN EXCISE CONFERENCE TO CONSIDER THE REGULATIONS APPLICABLE TO THE INTER-PROVINCIAL MOVEMENT OF SPIRITUOUS MEDICINAL AND TOILET PREPARATIONS, ETC.

28. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh): Will Government kindly state what steps, if any, have been taken or are proposed to be taken to secure uniformity in the excise rules and regulations in the various British Indian Provinces and the Indian States? Is it proposed to hold an All-India Conference of Excise Commissioners to discuss this subject?

THE HONOURABLE MR. A. J. RAISMAN: The Government of India have decided to convene an Excise Conference at New Delhi on the 8th November, 1937 and following days to consider the regulations applicable to the inter-provincial movement of sprituous medicinal and toilet preparations, and certain connected matters.

ESTABLISHMENT OF BROADCASTING STATIONS.

29. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh): Is there any scheme under consideration for the establishment of broadcasting and transmitting stations and studios in some of the important towns in India? If so, which are those towns, and when is the scheme likely to come into effect? What will be the approximate financial implications of the scheme with regard to each of the towns, where it is likely to come into effect?

THE HONOURABLE MR. A. G. CLOW: Yes. A statement giving the required information is laid on the table of the House.

*New broadcasting stations to be opened, their cost and the approximate dates from which they are likely to start operation.*

Name of station.	Approximate cost (non-recurrent).	Approximate time from which the station is likely to start operation.
	Rs.	
MADRAS.		
10 K. W. S. W. and 2 K. W. M. W. ..	2,70,000	April, 1938.
LAHORE.		
5 K. W. M. W. ..	2,06,000	November, 1937.
DACCA.		
5 K. W. M. W. ..	2,04,500	Latter part of 1938.
TRICHINOPOLY.		
5 K. W. M. W. ..	2,03,000	Latter part of 1938.

Name of station.	Approximate cost (non-recurrent).	Approximate time from which the station is likely to start operation.
LUCKNOW.	Rs.	
5 K. W. M. W. ..	2,06,000	January, 1938.
BOMBAY.		
10 K. W. S. W. ..	2,13,700	February, 1938.
CALCUTTA.		
10 K. W. S. W. ..	2,13,700	June, 1938.
DELHI.		
10 K. W. S. W. ..	} 3,31,300	December, 1937.
5 K. W. S. W. ..		
Studios .. .. .	6,00,000	End of 1938.

*Note.*—The estimates for the new stations do not include any provision for studio buildings which will be rented for the present.

**INTRODUCTION OF A RAIL MOTOR SERVICE IN NORTHERN INDIA.**

30. **THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh) : Do the Railway Authorities propose to introduce a rail motor service with a view to enable the Railways to meet road motor competition and is this experiment to be tried in Northern India? What are the details of the proposal and its financial implications?

**THE HONOURABLE SIR GUTHRIE RUSSELL** : The attention of the Honourable Member is invited to the Memorandum on the Provision of Rail Cars during 1938-39, which will be found on pages 96-97 of the Proceedings of the Standing Finance Committee for Railways, Volume XIV, No. 1.

**INDO-BURMA TRADE REGULATION ORDER.**

31. **THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh) : (a) Under the Indo-Burman Trade Convention is India treated as a foreign tariff unit? If so, why should India be treated as a foreign unit in regard to enhanced postal and telegraphic rates between the two countries?

(b) Do Government propose to make renewed efforts to secure restoration of pre-separation postal rates between the two countries?

**THE HONOURABLE MR. A. G. CLOW** : (a) Burma is a separate unit for tariff purposes; but the Indo-Burma Trade Regulation Order involves the maintenance in substance of free trade between the two countries. That Order does not relate to the postal and telegraph rates between the two countries as these are wholly outside its scope.

(b) No.

**THE HONOURABLE MR. HOSSAIN IMAM:** Why do Government not propose to make any further efforts ?

**THE HONOURABLE MR. A. G. CLOW:** Government do not consider that the re-establishment of pre-separation rates is in any way a feasible proposition.

PUBLICATION OF THE MAXWELL COMMITTEE REPORT.

**32. THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): Will Government kindly state when the Report of the Maxwell Committee regarding the reorganisation of the Imperial Secretariat will be published; and will any opportunity be given to the Central Legislature to discuss the Report before Government decide to take action thereon ?

**THE HONOURABLE MR. R. M. MAXWELL:** The document to which the Honourable Member apparently refers is not a formal report prepared for publication but a confidential note prepared in the Secretariat on matters arising out of the Report of the Wheeler Committee. Government do not therefore propose to publish it.

**THE HONOURABLE MR. HOSSAIN IMAM:** Do the Government propose to publish the Wheeler Committee's Report ?

**THE HONOURABLE MR. R. M. MAXWELL:** Yes, Sir.

**THE HONOURABLE MR. HOSSAIN IMAM:** How can we read it without your notes ? Is it not a fact that the publication of the Wheeler Committee's Report has been delayed so far because it was proposed to consider it along with the Maxwell Committee's Report.

**THE HONOURABLE MR. R. M. MAXWELL:** Not exactly. The consideration of the Maxwell Committee's Report is only one of the processes involved in arriving at conclusions on the Wheeler Committee's Report.

**THE HONOURABLE MR. HOSSAIN IMAM:** If the conclusions of Government are to be based on the inquiries made by the Maxwell Committee, is it not desirable that the Report should be published so that we may be in possession of the materials on which it is based ?

**THE HONOURABLE MR. R. M. MAXWELL:** No more than in the case of any other Secretariat note.

**THE HONOURABLE MR. P. N. SAPRU:** Sir, if the Government's decision is to be arrived at before the publication of the Report, then what is the use of publishing the Report ?

CLOSING OF WELLS IN YARDS OF LARGE JUNCTION STATIONS OF THE E. I. R.

**33. THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): Have the E. I. R. Authorities decided to close permanently with tin sheets all the wells situated inside many of the

yards of large junction stations, such as Allahabad and Moghalsarai? Why has this been done; and do Government propose to have the wells re-opened as before?

**THE HONOURABLE SIR GUTHRIE RUSSELL:** With the exception of Moghalsarai and Allahabad stations, there have been no other cases on the E. I. R. where open wells have been permanently closed, nor is there any proposal to do so.

At Moghalsarai the wells were closed on the recommendation of the Staff Welfare Committee after a liberal supply of wholesome water had been provided for by the installation of tube wells.

At Allahabad an open well was closed on the recommendation of the District Medical Officer who declared the water to be unsatisfactory.

In these circumstances it is not proposed to re-open the wells.

**DELAY IN TRANSIT OF MAILS FOR PAURI, HEADQUARTERS OF THE GARHWAL DISTRICT:**

**34. THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): Does Pauri, the headquarters of the district of Garhwal, receive its *dak* on the third day after it reaches Lansdowne or Dogadda?

**THE HONOURABLE MR. A. G. CLOW:** Before the 1st of this month there was a delay in transit to the extent mentioned by the Honourable Member. Revised timings were introduced from that date and mails from Lansdowne and Dogadda are now due to be delivered at Pauri on the following morning.

**PURCHASE OF ROLLING STOCK.**

**35. THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): Do the Railway Authorities concerned propose to spend another four crores of rupees on the purchase of rolling stock? If so, why? And on what Railways will such rolling stock be utilised?

**THE HONOURABLE SIR GUTHRIE RUSSELL:** I would refer the Honourable Member to the Proceedings of the Standing Finance Committee for Railways at their meetings held in Calcutta on June 28th and 29th last, a copy of which is available in the Library of the House.

**CONNECTION OF IMPORTANT CITIES OF THE UNITED PROVINCES BY AN AIR PASSENGER SERVICE, ETC.**

**36. THE HONOURABLE MR. P. N. SAPRU** (on behalf of the Honourable Raja Yuveraj Datta Singh): (a) Is there any proposal to connect the important cities of the United Provinces by air passenger service? If so, what are the main outlines of the scheme; and when is it likely to be accomplished?

(b) Is there any proposal to run a passenger air service between Bombay and some of the Kathiawar towns? If so, what are the main outlines of the scheme; and when is it likely to be accomplished?

THE HONOURABLE MR. A. G. CLOW: (a) Government have seen a press report on the subject but understand that the proposal is still in its preliminary stages and is unlikely to take definite shape for some time to come.

(b) Air Services of India, Ltd., a Company in Bombay, have formulated a scheme for the operation of an air passenger service between Bombay and Bhavnagar with feeder services from Bhavnagar to Rajkot, Jamnagar, Porbandar and other States in Kathiawar. No official intimation with regard to the date of inauguration of a regular service has been received by Government, but it is understood that a number of trial services from Bombay to Bhavnagar, Rajkot and back, were operated by the Company at the end of May and the beginning of June and that plans for a regular service are well advanced.

THE HONOURABLE MR. HOSSAIN IMAM: Will the Honourable the Chief Commissioner explain if this is likely to have any harmful effect on his earnings?

THE HONOURABLE S.R. GUTHRIE RUSSELL: I suppose a certain amount of effect.

THE HONOURABLE MR. HOSSAIN IMAM: Is the Government supporting this scheme?

THE HONOURABLE MR. A. G. CLOW: Not so far, Sir.

INJURY TO TWO PASSENGERS BY A RABID JACKAL AT MUAZZAMPUR NARAIN STATION, E. I. R.

37. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh): Did a leopard jump into a compartment of the Hardwar-Dehra Dun train at Muazzampur Narain Station, E. I. R. in July, 1937, and injure two passengers? If so, what are the facts of the occurrence?

THE HONOURABLE SIR GUTHRIE RUSSELL: It is not a fact that a leopard jumped into a compartment of the Hardwar-Dehra Dun train at Muazzampur Narain. It is believed, however, that the question has reference to the following incident:

At 1-28 hours on 11th July, 1937 a rabid jackal appeared on the station platform and bit six men, of whom two were passengers intending to travel by 46-Down. The animal was killed with *lathis*. Medical aid was rendered to the injured who were directed to the Civil Hospital, Bijnor, whence they were sent to the Anti-rabic Hospital at Meerut for treatment.

THE HONOURABLE MR. HOSSAIN IMAM: Did Government pay any compensation to these people?

THE HONOURABLE SIR GUTHRIE RUSSELL: No, Sir.

ACCIDENT AT BIHTA STATION, E. I. R.

38. THE HONOURABLE MR. P. N. SAPRU (on behalf of the Honourable Raja Yuveraj Datta Singh): Will Government be pleased to make a statement regarding the serious railway disaster which happened near Bihta Railway Station (E. I. R.), to the 18-Down Lahore Express, on the 17th July, in which more than 100 passengers are reported to have been killed and over 200 injured? What was the cause and nature of the occurrence? What is the exact number of casualties, and what steps have been taken in the matter?

THE HONOURABLE SIR GUTHRIE RUSSELL: The accident occurred at about 3-35 hours on the 17th July, 1937 to No. 18 Punjab Express at mile 355 near Bihta station on the East Indian Railway. The engine and several coaches left the track and, in all, 105 passengers were killed or subsequently died of their injuries; also 166 other passengers were injured, of whom 10 are still in hospital, the remainder having been discharged. Prompt medical aid was given to the injured and free treatment in hospital. An enquiry was held on the spot by the Senior Government Inspector of Railways, but, *vide* Resolution No. 7043-T. (II) dated 4th September, 1937, published in the Gazette of India Extraordinary, dated the 6th September, 1937, Government have decided to institute a judicial enquiry to be conducted by a High Court Judge.

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE.

NUMBER AND THE WORKING CAPITAL OF LAND MORTGAGE BANKS OR SOCIETIES.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member): Sir, I lay on the table the information promised in reply to question No. 20 asked by the Honourable Kumarsankar Ray Chaudhury on the 24th February, 1937.

*Statement showing the number and the working capital of land mortgage banks or societies and help rendered to them by and their relationship with Government in reply to question No. 20.*

MADRAS.

*Number of banks or societies.—81.*

*Working capital.—Rs. 1,08,28,131.*

*Relationship with or help or control by Government.—*The Government assisted the primary land mortgage banks in the initial stages in the floatation of their debentures by undertaking to purchase them up to an amount equal to that issued to the public subject to a maximum of Rs. 50,000 from any one bank and to a further maximum of Rs. 2½ lakhs for the whole Presidency. The Government assisted the Central Land Mortgage Bank with a subsidy of Rs. 20,000 for its administrative expenses during the first two years of its working.

2. In the first instance, the Government appointed for a period of three years a special staff of two Deputy Registrars and ten Sub-Deputy Registrars to inspect the primary land mortgage banks and to enquire into every loan application and appraise all lands tendered as mortgages. The special staff continues and with the increase in the number of banks,



it has been strengthened from time to time. There are at present two Deputy Registrars and 26 Sub-Deputy Registrars. Up to 31st March, 1937 the Government undertook to meet that part of the cost of the staff employed for the benefit of the Central Land Mortgage Bank which it was not possible for the bank to meet after setting apart 25 per cent. of its profits to the reserve fund and paying a dividend of 6 per cent. to the shareholders. As regards the staff employed for the benefit of both the Central Land Mortgage Bank and the primary land mortgage banks, the Government undertook till 31st March, 1937 to meet the entire cost involved on condition that, after paying a dividend not exceeding 5 per cent. to the shareholders, the primary land mortgage banks would put the entire balance of their profits into the reserve fund.

3. The Government guaranteed the interest not exceeding 6 per cent. on all debentures issued by the Central Land Mortgage Bank to an extent of Rs. 50 lakhs during the first five years of its existence until they were paid off or redeemed by the bank. Subsequently they also guaranteed a maximum interest of  $6\frac{1}{2}$  per cent. on debentures issued by the bank up to an extent of Rs. 30 lakhs out of the total of Rs. 50 lakhs mentioned in the previous guarantee.

4. After passing the Madras Land Mortgage Banks Act Government have fully and unconditionally guaranteed both the interest on and the principal of the debentures issued prior to the commencement of the Act and also the principal of and interest on the debentures issued thereafter redeemable within a period not exceeding 25 years from the date of issue and bearing a rate of interest not exceeding 5 per cent. The latter guarantee at present extends to debentures up to a maximum of Rs. 100 lakhs exclusive of the value of the debentures as may have been redeemed by the bank from time to time.

5. The debentures have, by an amendment of the Indian Trust Act, been placed on the list of trustee securities.

6. The Government have permitted the Madras Provincial Co-operative Bank and the district central banks to grant loans to non-members on the security of debentures up to 80 per cent. of the face value of the debentures, the period of loans being restricted to a maximum of one year.

7. The local bodies have been permitted to invest in the debentures of the bank one-fourth of their provident funds and one-sixth of their railway cess funds.

8. The central banks have been permitted to reckon the debentures of the Central Land Mortgage Bank they hold for the purpose of fluid resources up to a limit of one-third of the standard required to be maintained by them, the debentures being taken at 80 per cent. of their market value.

9. The central banks have been permitted to invest in the debentures of the bank reserve funds up to a limit not exceeding one-half of the amount to the credit of the funds.

10. The Government have exempted all co-operative land mortgage banks from the payment of Fees for the audit of their accounts in the first three co-operative years from the date of starting.

11. The Government have exempted the Central Land Mortgage Bank and the primary land mortgage banks up to the end of April, 1937 from the payment of fees for the registration of documents and the obtaining of encumbrance certificates.

12. Facilities have been provided by Government for the transaction of the business of the banks, such as the free supply of copies of District Gazette sheets, village maps and the supply of information regarding the property of the members of the banks.

13. In addition there are certain facilities such as those for the speedy recovery of arrears from defaulters and execution of documents which the banks enjoy under the provisions of the Land Mortgage Banks Act.

## BOMBAY.

*Number of Banks or societies.*—14.

*Working capital*—Rs. 6,47,174.

*Relationship with or help or control by Government.*—All land mortgage banks in the Presidency are registered under the Bombay Co-operative Societies Act, 1925. The bye-laws provide for the nomination of the Board of Directors by the Registrar for the first three years and for his sanction to all loans in the initial stages. Apart from the privileges which the Banks receive as co-operative societies ten primary banks have been given between them a cash subsidy of Rs. 5,000 a year for three years towards the cost of their land valuation officers who are permanent Government officers and exempted from the payment of leave and pension contributions in respect of them. The Government have guaranteed the principal and interest of the debentures of the Provincial Land Mortgage Bank to the extent of Rs. 10 lakhs, and have promised to make good any deficit in the working of the bank up to a total of Rs. 10,000 for the first year, Rs. 7,500 for the second year and Rs. 5,000 for the third year.

## BENGAL.

*Number of banks or societies.*—5.

*Working capital*—Rs. 2,02,113.

*Relationship with or help or control by Government.*—The local Government undertook to meet the entire cost of management of the banks in the first year of their existence; and in the second and third years to make good any difference between the gross profits and the management charges in the event of the latter being greater than the former.

2. For the efficient management of the banks the Government agreed to lend the services of Sub-Deputy Collectors with settlement experience to be managers of these banks for the first three years of their existence. During the first year the pay of these managers was entirely borne by Government, and during the second and third years Rs. 200 per mensem was payable to Government by each bank for the services of these Managers. To assist the Registrar in the control and supervision of these banks the creation of the post of a Deputy Registrar for a period of five years with effect from the beginning of March, 1934 was sanctioned and Government also accorded sanction to the appointment of a small staff under him.

3. In order to provide adequate capital for the banks Government sanctioned the issue of debentures of a total face value of Rs. 12½ lakhs by the financing bank on the following conditions:—

- (a) The issue shall be at par and shall be current for a period not exceeding 30 years from the date of issue;
- (b) the Government will guarantee the interest for the entire period of currency of the debentures;
- (c) the rate of interest will be fixed annually by Government;
- (d) the rate of interest on the debentures to be issued during the first 12 months shall be not more than 4½ per cent.;
- (e) the rate of interest to be charged by the land mortgage banks on loans to individuals shall not, until further orders, exceed 9½ per cent.

4. In order to give the banks a start the Bengal Provincial Co-operative Bank was approached and the Directors of that bank accommodated the land mortgage banks with short term cash credit advances on condition of repayment of the loan as soon as the debentures are floated. The Bengal Provincial Co-operative Bank has decided to charge  $1\frac{1}{4}$  per cent. interest over and above the rate of interest payable on the debenture for meeting its working expenses. The land mortgage banks have decided to charge an extra  $3\frac{1}{8}$  per cent. over their borrowing rates from individual borrowers in order to meet establishment charges.

5. The banks are managed by Board of Directors who have been nominated in accordance with the bye-laws of each bank with the District Magistrate as the ex-officio Chairman.

#### UNITED PROVINCES.

*Number of banks or societies.*—5.

*Working capital.*—Rs. 98,230.

*Relationship with or help or control by Government.*—They are registered co-operative societies under the general supervision of the Co-operative Department. The Managing Committee of a society usually consists of nominated officials with the Collector as the ex-officio Chairman.

#### PUNJAB.

*Number of banks or societies.*—12.

*Working capital.*—Rs. 18,30,609.

*Relationship with or help or control by Government.*—These banks are co-operative bodies financed by the Punjab Provincial Co-operative Bank, which received loans from the Government for the purpose and also issued Rs. 5 lakhs debentures the interest on which was guaranteed by the Government. One bank has a direct loan from the Government.

#### CENTRAL PROVINCES.

*Number of banks or societies.*—10.

*Working capital.*—Rs. 1,74,543.

*Relationship with or help or control by Government.*—The Government has guaranteed the principal and interest on debentures to be floated for raising the capital of the banks up to Rs. 50 lakhs. The Registrar is ex-officio trustee of the debenture holders. He and the Financial Secretary to the local Government are ex-officio members of the Board of Directors and the Managing Committee of the Provincial Banks. Every loan to be granted by a primary bank requires the sanction of the Registrar. The working of the banks is governed by the Central Provinces Land Mortgage Banks Act.

#### ASSAM.

*Number of banks or societies.*—5.

*Working capital.*—Rs. 5,57,162.

*Relationship with or help or control by Government.*—The banks are registered under the Co-operative Societies Act (Act II of 1912). The Registrar and his subordinate staff inspect and audit them. Four banks have received loans from Government amounting to totals of Rs. 51,000, Rs. 33,000, Rs. 10,000 and Rs. 2,000.

INFORMATION LAID ON THE TABLE.

AJMER-MERWARA.

Number of banks or societies.—22.

Working capital.—Rs. 1,04,031.

*Relationship with or help or control by Government.*—The banks work under the close supervision of Inspectors of Co-operative Societies who are Government servants and are the ex-officio Presidents of the banks. The societies are under the general control of the Co-operative Department.

There are no land mortgage banks or societies in Bihar, Orissa, the North-West Frontier Province, Sind, Delhi and Coorg. The question of establishing two land mortgage banks in Burma is under consideration.

(1) INSULATED VANS SUITABLE FOR ICE COOLING AND (2) RECORD LIFTERS.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner for Railways) : Sir, I lay on the table the information promised in reply to (1) question No. 66 asked by the Honourable Sir Phiroze Sethna on the 12th March, 1937, and (2) question No. 96 asked by the Honourable Mr. Hossain Imam on the 30th March, 1937.

*Information in connection with question No. 68.*

(a) The following insulated vans suitable for ice cooling are in use on Railways :—

(i) 169 B. G. vans on the N. W. R. The carriage of perishables under ice in these vans is limited to approximately three months in each year and during the remaining period the vans are employed as ordinary parcel vans.

(ii) 8 M. G. vans on the M. and S. M. R. These vans are now employed throughout the year as ordinary parcel vans due to no traffic in perishables under ice offering.

(iii) 6 B. G. parcel vans on the E. I. R. have one insulated compartment in each suitable for the carriage of perishables under ice.

(b) An experimental refrigerator van is at present under construction on the M. & S. M. R. and other Railways will provide suitable insulated vans or compartments if and when the traffic offering justifies such a course.

*Information in connection with question No. 96.*

Government are informed as follows :—

(a) (i) Seven new posts of Record Lifters, which is an inferior category, were created, five of which were filled by men already in service : the remaining two by the recruitment of two Matrics one of whom was a Sikh and another a Hindu.

(ii) Up to the month of January, 1937, there has not been occasion to recruit 37 gangmen in one lot. As regards the second part all the temporary labour engaged were discharged.

(iii) No.

(b) Does not arise.

DIFFERENCE IN PAY AND ALLOWANCES OF KING'S COMMISSIONED OFFICERS AND INDIAN COMMISSIONED OFFICERS.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Education, Health and Lands Member) : With your permission, Sir, I will lay this information on the table on behalf of His Excellency the Commander-in-Chief.

12 NOON.

Information promised in reply to question No. 51, asked by the Honourable Rai Bahadur Lala Ram Saran Das on the 4th March, 1937.

DIFFERENCE IN THE PAY AND ALLOWANCES OF KING'S COMMISSIONED OFFICERS AND THE INDIAN COMMISSIONED OFFICERS PASSING OUT FROM THE INDIAN MILITARY ACADEMY, AND ITS EFFECTS ON RECRUITMENT FOR THE LATTER.

STATEMENT "A."

Comparative rates of pay of King's commissioned officers (Indian Army) and Indian commissioned officers.

King's commissioned officers. (Page 64, P. and A. Regulations, Pt. I-Special).			Indian commissioned officers (A. I. I. No. 32 of 1935).	
Rank.	Pay.		Rank.	Pay. Rs. per mensem.
	Married. Rs. per mensem.	Unmarried. Rs. per mensem.		
Colonel or Lt.-Col. (in command).	1,950 (includes Rs. 300 command pay).	1,800 (includes Rs. 300 command pay).	Lt.-Col. in command	1,200 (includes Rs. 200 command pay).
Colonel or Lt.-Col. (not in command).	1,650	1,500		
Major after 5 years' service as such.	1,435	1,290		
Major (after* 16 to 20 years' service).	1,305	1,165	Major (after* 16 to 20 years' service).	800
Captain after 15 years' service.	1,105	960	Captain after 8 years' service as such.	650
Captain after 10 years' service.	925	790	Captain after 6 years' service as such.	600
Captain (after* 9 years' service).	895	760	Captain after 4 years' service as such.	550
			Captain after 2 years' service as such.	500
			Captain (after 9 to 11 years' service).	450
Lieutenant after 7 years' service.	720†	630	Lieutenant after 3 years' and 9 months service as such.	400
Lieutenant	620†	535	Lieutenant	350
2nd Lieutenant	565†	480	2nd Lieutenant	300

\* See Army Instruction (India) No. 65 of 1934.

† Subject to the rule which allows marriage allowance after 30 years of age.

STATEMENT " B."

*Main allowances of Indian commissioned officers compared with those of the King's commissioned officers.*

Serial No.	Allowance.	King's commissioned officers.	Indian commissioned officers.	Authority.
1	Outfit allowance	£50 .. ..	Rs. 670 .. ..	Pay and Allowance Regulations, Part II, paragraph 292 as amended.
2	Camp kit allowance	£7-10-0 .. ..	Rs. 100 .. ..	Do., paragraph 249 as amended.
3	Separation allowance.	Sliding scale Rs. 40 to Rs. 120 per mensem.	Sliding scale Rs. 40 to Rs. 120 per mensem.	Do., paragraph 297-A. as amended.
4	Sycc and forage allowance.	Rs. 33 per mensem	Rs. 33 per mensem	Do., paragraph 303 as amended.
5	Travelling allowance.	Both K. C. Os. and I. C. Os. are under the same rules and scales.		Passage Regulations, India.
6	Passage allowance	<p><i>Self.</i>—4 return leave passages; each at P. &amp; O. first class "B" rate (£126) between Bombay and London for the whole period of service in India spread over 25 years.</p> <p><i>Wife.</i>—The same number of return passages to which the officer himself is entitled.</p> <p><i>Children.</i>—One single adult passage (£72) for each child.</p> <p><i>Note.</i>—Officers of Asiatic domicile are not entitled to passage allowances.</p>		Passage Regulations, India, Appendix 'A.'

Serial No.	Allowance.	King's commissioned officers.	Indian commissioned officers.	Authority.
7	Leave travelling allowance.	..	Free first class travel for the officer himself, on warrant, at full tariff rates, by the main route to and from the nearest railway station to the officer's home (or, as a special case, to any other place provided the cost does not exceed the cost of a warrant to the railway station nearest his home) once after his first year of commissioned service and thereafter every second calendar year. Railway free allowance of baggage only is also admissible.	Army Instruction (India) No. 45 of 193.

### AGREEMENTS BETWEEN THE RESERVE BANK OF INDIA AND CERTAIN LOCAL GOVERNMENTS LAID ON THE TABLE.

THE HONOURABLE MR. A. J. RAISMAN (Finance Secretary) : Sir, I lay on the table—

- (i) a copy each of the Agreements between the Reserve Bank of India and the Governments of Madras, the United Provinces, the Punjab, Bihar, Orissa, the Central Provinces and Berar, Sind and Assam ;
- (ii) a copy of the Supplemental Agreement between the Reserve Bank of India and the Imperial Bank of India.

#### *Agreement between the Governor of the Province of Madras and the Reserve Bank of India.*

AN AGREEMENT made this first day of April 1937 BETWEEN THE GOVERNOR OF THE PROVINCE OF MADRAS 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) as adapted and modified pursuant to the Authority contained in Section 293 of the Government of India Act 1935 by an Order of His Majesty in Council dated the Eighteenth day of March, 1937 cited as the India and Burma (Burma Monetary Arrangements) Order 1937 (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 Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt and

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

(3) by section 21 (2) of the Act that Provincial Governments 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 first day of April 1937.

2. The general banking business of the Government of Madras (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of money on behalf of the Government 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 Government through any Government officer or officers authorized by the Government 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 Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its 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 Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government 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 Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government 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 Government 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 of the Government 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 Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government 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 Government.



5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time :

Provided that if the Government wishes to remit funds outside the area within its jurisdiction, except as otherwise provided for in this agreement, the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as " scheduled banks " in section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for purchases or conversions) at the rate of 1/16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government 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 Government or by any officer or officers of the Government authorized in that behalf, provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government 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 Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Madras Government Securities Rules, 1937, for duplicate securities and for the renewal, consolidation, division or otherwise of all Government Securities which the Bank issues :

Provided that loans not directly issued by the Government but issued under the guarantee of the Government shall not be included in the calculation for the purpose of this clause but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Madras Province as the Government may, with the previous sanction of the Central Government, prescribe and the Government 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 Government and reasonable remittance facilities to the public at the said places. The Government 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 Government 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.

10. 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 1881), subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government 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 Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents 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 realizing money and securities for money on account of the Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it 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 connexion 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.

13. 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 Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post 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 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.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor-General whose decision shall be final and binding as between the parties hereto.

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

16. 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 Government.

IN WITNESS WHEREOF Mr. Cyril Edgar Jones, C.I.E., I.O.S., Secretary to the Government of Madras in the Finance Department by the order and direction of the Governor

of the Province of Madras 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 Mr. Cyril Edgar Jones, C.I.E., I.C.S., Secretary to the Government of Madras in the Finance Department, for and on behalf of the Governor of the Province of Madras in the presence of

D. W. DODWELL,  
Additional Deputy Secretary to the  
Government of Madras,  
Finance Department.

C. E. JONES,  
Secretary to the Government of Madras,  
Finance Department.

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., and

Mr. Rustom Pestonji Masani two of its Directors and Sir James Braid Taylor, Kt., C.I.E., its Deputy Governor.



PURSHOTAMDAS THAKURDAS, }  
R. P. MASANI, } Directors.

J. B. TAYLOR, Deputy Governor.

*Agreement between the Governor of the United Provinces and the Reserve Bank of India.*

AN AGREEMENT made this 7th day of July 1937 BETWEEN THE GOVERNOR OF THE UNITED PROVINCES 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")] as adapted and modified pursuant to the Authority contained in Section 293 of the Government of India Act, 1935, by an Order of His Majesty in Council, dated the eighteenth day of March 1937, cited as the India and Burma (Burma Monetary Arrangements) Order, 1937, 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 Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt and

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

(3) by section 21 (2) of the Act that Provincial Governments 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 be deemed to have come into force on the first day of April, 1937.

2. The general banking business of the Government of United Provinces (hereinafter referred to as " the Government ") including the payment, receipt, collection and remittance of money on behalf of the Government 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 Government through any Government officer or officers authorized by the Government 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 Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its 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 Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government 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 Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government 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 Government 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 of the Government 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 Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government 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 Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time :

Provided that if the Government wishes to remit funds outside the area within its jurisdiction except as otherwise provided for in this agreement the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as " scheduled banks " in section 42 of the Act subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for purchases nor for conversion) at the rate of 1/16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government 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 Government or by any officer or officers of the Government authorized in that behalf provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government 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 Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor General 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 :

Provided that loans not directly issued by the Government but issued under the guarantee of the Government shall not be included in the calculation for the purpose of this clause but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the United Provinces, as the Government may with the previous sanction of the Central Government, prescribe and the Government 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 Government and reasonable remittance facilities to the public at the said places. The Government 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 Government 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.

10. 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 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government 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 authorized by the Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents 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 realizing money and securities for money on account of the Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it 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 connexion 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.

13. 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 Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post 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 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.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor General whose decision shall be final and binding as between the parties hereto.

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

16. 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 Government.

IN WITNESS WHEREOF Mr. A. C. Turner, I.O.S., M.B.E., Secretary to the Government of the United Provinces in the Finance Department, by the order and direction of the Governor of United Provinces, 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 Mr. A. C. Turner, I.O.S., M.B.E., Secretary to the Government of United Provinces in the Finance Department for and on behalf of the Governor of United Provinces in the presence of

SURAJ DIN BAJPAL,

*Deputy Secretary to the Government of the United Provinces.*

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sultan Meherally Chinoy and Devi Das Madhowji Thakersey two of its Directors and Sir James Braid Taylor, Kt., C.I.E., its Governor.

A. C. TURNER,  
*Secretary to the Government of the United Provinces, Finance Department.*



SULTAN CHINOY,  
DEVIDAS MADHOWJI  
THAKERSEY,  
*Directors.*

J. B. TAYLOR,  
*Governor.*

AN AGREEMENT made this seventh day of July one thousand nine hundred and thirty-seven BETWEEN THE GOVERNOR OF THE UNITED PROVINCES of the one part and the Reserve Bank of India (hereinafter called "the Bank") of the other part supplemental to an agreement (hereinafter referred to "as the principal agreement") made on the 7th day of July 1937 between the parties hereto.

WHEREAS under clause 5 of the principal agreement it is provided that the Government of United Provinces (hereafter referred to as "the Government") shall maintain a daily balance with the Bank not below such minimum as may be agreed upon NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED AS FOLLOWS :

1. The Bank shall inform the Government by telegram of the Government daily balance with the Bank at the close of each working day.

2. The Government shall take steps by taking ways and means advance from the Bank or by issuing treasury bills to ensure that the Government balance on each Friday is not less than a credit of thirty lakhs. If a reduction in the Government balance is to be anticipated before the following Friday, e.g., owing to the-beginning-of-the-month disbursements, etc., the Government shall also take steps to ensure that this balance does not fall below the said minimum by more than five lakhs.

3. The Government will not repay ways and means advances or invest any surplus of the Government balances unless the said balance exceeds a credit of thirty-five lakhs.

4. Ways and means advances may be taken and repaid on any day without previous notice by telegraphic or such other intimation to such branch of the Bank as the Bank may prescribe provided that such advances shall be for a minimum period of seven days and provided further that such advances shall be in minimum amounts of five lakhs.

IN WITNESS WHEREOF Mr. A. C. Turner, I.C.S., M.B.E., Secretary to the Government of United Provinces in the Finance Department, by the order and direction of the Governor of United Provinces, 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 Mr. A. C. Turner, I.C.S., M.B.E., Secretary to the Government of United Provinces in the Finance Department, for and on behalf of the Governor of United Provinces in the presence of

A. C. TURNER,  
Secretary to the Government of the  
United Provinces,  
Finance Department.

SURAJ DIN BAJPAL,  
Deputy Secretary to the Government  
of the United Provinces.

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sultan Meharally Chinoy and Devi Das Madhowji Thakersey two of its Directors and Sir James Braid Taylor, kt., C.I.E., its Governor.



SULTAN CHINoy,  
DEVIDAS MADHOWJI  
THAKERSEY,  
Directors.

J. B. TAYLOR,  
Governor.

*Agreement between the Governor of the Punjab and The Reserve Bank of India.*

AN AGREEMENT made this twentysixth day of May, 1937, BETWEEN THE GOVERNOR OF THE PUNJAB 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") as adapted and modified pursuant to the Authority contained in Section 293 of the Government of India Act, 1935, by an Order of His Majesty in Council, dated the eighteenth day of March, 1937, cited as the India and Burma (Burma Monetary Arrangements) Order 1937 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 Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt, and

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

(3) by section 21 (2) of the Act that Provincial Governments 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 be deemed to have come into force on the first day of April, 1937, and the previous agreement, dated the 2nd November, 1935, is hereby cancelled.

2. The general banking business of the Government of the Punjab (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of money on behalf of the Government 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 in accordance with and subject to such orders and directions as may from time to time be given to the Bank by the Government through any Government officer or officers authorized by the Government 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 Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its 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 Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government 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 Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government 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 Government 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 of the Government 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 Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government 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 Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time :

Provided that if the Government wishes to remit funds outside the area within its jurisdiction except as otherwise provided for in this agreement the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as "scheduled banks" in section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for purchases or conversions) at the rate of 1/16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government 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 Government or by any officer or officers of the Government authorised in that behalf, provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government 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 Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor-General 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 :

Provided that loans not directly issued by the Government, but issued under the guarantee of the Government shall not be included in the calculation for the purpose of this clause, but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Punjab Province as the Government may, with the previous sanction of the Central Government, prescribe and the Government 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 Government and reasonable remittance facilities to the public at the said places. The Government 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 Government 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.

10. 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 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government 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 Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents 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 Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it 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 connexion 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.

13. 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 Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post 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 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.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor-General whose decision shall be final and binding as between the parties hereto.

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

16. 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 Government.

17. The stamp duty on the instrument shall be borne by the Government.

IN WITNESS WHEREOF Ram Chandra, C.I.E., M.B.E., I.C.S., Secretary to the Government of the Punjab in the Finance Department by the order and direction of the Governor of the Punjab 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 Ram Chandra, Secretary to the Government of the Punjab in the Finance Department for and on behalf of the Governor of the Punjab in the presence of—

(Sd.) RAM CHANDRA,  
Secretary to the Government  
of the Punjab,  
Finance Department.

(Sd.) LALCHAND,

Assistant Secretary to the Government of the Punjab,  
Finance Department.

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sir Purshotamdas Thakurdas, kt., C.I.E., M.B.E., and Kasturbhai Lalbhai, two of its Directors and Manilal Balabhai Nanavati, its Deputy Governor who in token thereof have hereunto signed their names in the presence of—

(Sd.) N. D. NANGIA,  
Reserve Bank of India,  
Central Office, Bombay.



(Sd.) PURSHOTAMDAS,  
THAKURDAS,  
(Sd.) KASTURBHAI LALBHAI,  
Directors.  
(Sd.) MANILAL B. NANAVATI,  
Deputy Governor.

*Agreement between the Governor of Bihar and The Reserve Bank of India.*

AN AGREEMENT made this thirtieth day of June, 1937, BETWEEN THE GOVERNOR OF BIHAR 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") as adapted and modified pursuant to the Authority contained in Section 293 of the Government of India Act, 1935 by an Order of His Majesty in Council dated the Eighteenth day of March 1937 cited as the India and Burma (Burma Monetary Arrangements) Order, 1937 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 Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt, and

(2) by section 21 (1) of the Act that Provincial Governments should entrust the Bank on such conditions as might be agreed upon with all their money, remittance, exchange

and banking transactions in India and, in particular, should deposit free of interest all their cash balances with the Bank provided that nothing in that sub-section should prevent Provincial Governments from carrying on money transactions at places where the Bank has no branches or agencies and that Provincial Governments might hold at such places such balances as they may require and

(3) by section 21 (2) of the Act that Provincial Governments 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 be deemed to have come into force on the first day of April 1937.
2. The general banking business of the Government of Bihar (hereinafter referred to as " the Government ") including the payment, receipt, collection and remittance of money on behalf of the Government 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 Government through any Government officer or officers authorised by the Government 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 Government shall from time to time direct in the manner aforesaid.
3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its 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 Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government 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 Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.
4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government 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 Government 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 of the Government 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 Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government 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 Government.
5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time :

Provided that if the Government wishes to remit funds outside the area within its jurisdiction except as otherwise provided for in this agreement the Bank shall be entitled

to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as "schedules banks" in section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for conversions) at the rate of 1/16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government 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 Government or by any officer or officers of the Government authorised in that behalf, provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government 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 Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor-General 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 :

Provided that loans not directly issued by the Government but issued under the guarantee of the Government shall not be included in the calculation for the purpose of this clause but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Province of Bihar as the Government may, with the previous sanction of the Central Government, prescribe and the Government 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 Government and reasonable remittance facilities to the public at the said places. The Government 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 Government 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.

10. 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 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government 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 Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents 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 Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it 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 connexion 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.

13. 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 Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post 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 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.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor-General whose decision shall be final and binding as between the parties hereto.

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

16. 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 Government.

IN WITNESS WHEREOF Henry Carlos Prior, Secretary to the Government of Bihar in the Finance Department by the order and direction of the Governor of the Bihar 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 Henry Carlos Prior, Secretary to the Government of Bihar in the Finance Department for and on behalf of the Governor of Bihar in the presence of C. S. Jha, Under Secretary to the Government of Bihar, Finance Department, Patna.

(Sd.) H. C. PRIOR,  
*Secretary to the Government of Bihar,  
Finance Department.*

(Sd.) C. S. JHA,

*Under Secretary to the Government of Bihar,  
Finance Department, Patna.*

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sultan Meherally Chinoy and Devidas Madhowji Thakersey two of its Directors and Sir James Braid Taylor, kt., C.I.E., its Deputy Governor.



(Sd.) SULTAN CHINOI,  
(Sd.) DEVIDAS MADHOWJI  
THAKERSEY,  
*Directors.*  
(Sd.) J. B. TAYLOR,  
*Deputy Governor.*

*Agreement between the Governor of Orissa and the Reserve Bank of India.*

AN AGREEMENT made this sixteenth day of June 1937 BETWEEN THE GOVERNOR OF THE PROVINCE OF ORISSA 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") as adapted and modified pursuant to the Authority contained in section 293 of the Government of India Act 1935 by an Order of His Majesty in Council dated the Eighteenth day of March 1937 cited as the India and Burma (Burma Monetary Arrangements) Order 1937 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 Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt and

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

(3) by section 21 (2) of the Act that Provincial Governments 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 be deemed to have come into force on the first day of April 1937

2. The general banking business of the Government of Orissa (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of money on behalf of the Government 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 in accordance with and subject to such orders and directions as may from time to time be given to the Bank by the Government through any Government officer or officers authorised by the Government 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 Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its 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 Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government 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 Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government 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 Government 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 of the Government 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 Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government 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 Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time.

Provided that if the Government wishes to remit funds outside the area within its jurisdiction except as otherwise provided for in this agreement the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as "scheduled banks" in section 42 of the Act subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the



Bank shall be entitled to charge commission for sales (but not for conversions) at the rate of 1/16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government half-yearly a commission at the rate if 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 Government or by any officer or officers of the Government authorised in that behalf, provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government 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 Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor-General 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 :

Provided that loans not directly issued by the Government but issued under the guarantee of the Government shall not be included in the calculation for the purpose of this clause but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Orissa Province as the Government may, with the previous sanction of the Central Government, prescribe and the Government 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 Government and reasonable remittance facilities to the Public at the said places. The Government 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 Government 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.

10. 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 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government 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 within the area within which such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents 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 securities 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 Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it 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.

13. 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 Government to be addressed to the Governor of the Bank and to be served by leaving the same at the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post 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 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.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor-General whose decision shall be final and binding as between the parties hereto.

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

16. 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 Government.

IN WITNESS WHEREOF P. T. Mansfield, Secretary to the Government of Orissa in the Finance Department by the order and direction of the Governor of Orissa 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 P. T. Mansfield, Secretary to the Government of Orissa in the Finance Department, for and on behalf of the Governor of Orissa in the presence of

(Sd.) U. S. NARAYAN RAO.

(Sd.) P. T. MANSFIELD,  
*Secretary to the Government of Orissa,  
Finance Department.*



The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Devidas Madhowji Thakersey and Sultan Meherally Chinoy two of its Directors and Sir James Braid Taylor, Kt., C.I.E., its Deputy Governor.

(Sd.) SULTAN CHINOH,  
(Sd.) DEVIDAS MADHOWJI  
THAKERSEY,  
*Directors.*  
(Sd.) J. B. TAYLOR,  
*Deputy Governor.*

*Agreement between the Governor of the Central Provinces and Berar and the Reserve Bank of India.*

AN AGREEMENT made this thirtieth day of June 1937 BETWEEN THE GOVERNOR OF THE CENTRAL PROVINCES AND BERAR 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"), as adapted and modified pursuant to the Authority contained in Section 293 of the Government of India Act, 1935, by an Order of His Majesty in Council, dated the Eighteenth day of March 1937, cited as the India and Burma (Burma Monetary Arrangements) Order, 1937, 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 Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt, and

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

(3) by section 21 (2) of the Act that Provincial Governments 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 be deemed to have come into force on the first day of April 1937.

2. The general banking business of the Government of the Central Provinces and Berar (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of money on behalf of the Government 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 Government through any Government officer or officers authorized by the Government 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 Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its 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 Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government 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 Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government 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 Government

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 of the Government 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 Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government 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 Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time :

Provided that if the Government wishes to remit funds outside the area within its jurisdiction, except as otherwise provided for in this agreement the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as "scheduled banks" in section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause, and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for conversions) at the rate of 1/16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government 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 Government or by any officer or officers of the Government authorised in that behalf, provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government 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 Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Government under the powers conferred upon it by the Indian Securities Act, 1920 (X of 1920), as adopted and modified by the Government of India (Adaptation of Indian Laws) Order, 1937, for duplicate securities and for the renewal, consolidation, division or otherwise of all Government Securities which the Bank issues :

Provided that loans not directly issued by the Government but issued under the guarantee of the Government shall not be included in the calculation for the purpose of this clause but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Central Provinces and Berar as the Government may, with the previous sanction of the Central Government, prescribe and the Government 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 Government and reasonable remittance facilities to the public at the said places. The Government 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 Government 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.

10. 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, 1881 (Act XXVI of 1881), subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government 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 authorized by the Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents 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 realizing money and securities for money on account of the Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it 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.

13. 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 Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post 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 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.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor-General whose decision shall be final and binding as between the parties hereto.

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

16. 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 Government.

IN WITNESS WHEREOF Mr. C. D. Deshmukh, C.I.E., I.C.S., Secretary to the Government of the Central Provinces and Berar in the Finance Department, by the order and direction of the Governor of Central Provinces and Berar 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 Mr. C. D. Deshmukh, C.I.E., I.C.S., Secretary to the Government of the Central Province and Berar in the Finance Department, for and on behalf of the Governor of the Central Provinces and Berar in the presence of—

(Sd.) C. D. DESHMUKH,  
Secretary to the Government of the  
Central Provinces and Berar,  
Finance Department.

(Sd.) RAHMAT KHAN  
(Sd.) ZAKIR HUSAIN  
(Sd.) I. HAQ

The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sultan Meherally Chinooy and Devidas Madowji Thakersey two of its Directors, and Sir James Braid Taylor, K.T., C.I.E., its Deputy Governor.

Common Seal  
of the Reserve  
Bank of India.

(Sd.) SULTAN CHINOY,  
(Sd.) DEVIDAS MADHOWJI  
THAKERSEY,  
Directors.  
(Sd.) JAMES B. TAYLOR,  
Deputy Governor.

*Agreement between the Governor of the Province of Sind and The Reserve Bank of India.*

AN AGREEMENT made this twenty-sixth day of May, 1937, BETWEEN THE GOVERNOR OF THE PROVINCE OF SIND 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 regulated by the Reserve Bank of India Act, 1934 (being Act No. II of 1934, hereinafter called "the Act"), as adapted and modified pursuant to the Authority contained in section 293 of the Government of India Act, 1935, by an Order of His Majesty in Council dated the Eighteenth day of March 1937, cited as the India and Burma (Burma Monetary Arrangements) Order, 1937, 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 Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt, and

(2) by section 21 (1) of the Act that Provincial Governments should entrust the Bank on such conditions as might be agreed upon with all their money, remittance, exchange and banking transactions in India and, in particular, should deposit free of interest all

their cash balances with the Bank provided that nothing in that sub-section should prevent Provincial Governments from carrying on money transactions at places where the Bank has no branches or agencies and that Provincial Governments might hold at such places such balances as they may require, and

(3) by section 21 (2) of the Act that Provincial Governments 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 first day of April 1937.

2. The general banking business of the Government of Sind (hereinafter referred to as " the Government ") including the payment, receipt, collection and remittance of money on behalf of the Government 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 Government through any Government officer or officers authorised by the Government 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 Government shall, from time to time, direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its 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 Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government 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 Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government 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 Government 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 of the Government 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 Government may, from time to time, direct and shall audit all payments of such interest and act generally as agents in India for the Government 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 Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank, from time to time :

Provided that if the Government wishes to remit funds outside the area within its jurisdiction, except as otherwise provided for in this agreement the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as " scheduled banks " in section 42 of the Act, subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for purchases or conversions) at the rate of 1/16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government 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 Government or by any officer or officers of the Government authorised in that behalf provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum, the Bank shall be entitled to charge to the Government 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 Government) all such fees and charges as are now or may hereafter, from time to time, be prescribed by the Governor General 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 :

Provided that loans not directly issued by the Government but issued under the guarantee of the Government shall not be included in the calculation for the purpose of this clause, but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Sind Province as the Government may, with the previous sanction of the Central Government, prescribe and the Government 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 Government and reasonable remittance facilities to the public at the said places. The Government 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 Government 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.



10. 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 1881), subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government and the Bank shall be responsible that no one of its agencies doing Government business for the time being existing within the jurisdiction of the Government shall be closed except on Sundays and on public holidays authorised by the Government.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents 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 Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agencies on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it, 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 connexion 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.

13. 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 Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post 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 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.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto, such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor-General whose decision shall be final and binding as between the parties hereto.

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

16. 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 Government.

IN WITNESS WHEREOF Charles Beaupré Bell Clee, Secretary to the Government of Sind in the Finance Department by the order and direction of the Governor of Sind

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 Charles Beaupré Bell Clee, Secretary to the Government of Sind in the Finance Department, for and on behalf of the Governor of Sind in the presence of

(Sd.) C. B. B. CLEE,  
Secretary to the Government of Sind,  
Finance Department.

(Sd.) N. V. RAGHAVAN,  
Assistant Secretary to Government,  
Finance Department, Karachi.



The Common Seal of the Reserve Bank of India was affixed hereto in the presence of Sir Purshotamdas Thakurdas, kt., C.I.E., M.B.E., and Kasturbhai Lalbhai two of its Directors and Manilal Balabhai Nanavati its Deputy Governor.

(Sd.) KASTURBHAI LALBHAI,  
(Sd.) PURSHOTAMDAS THAKURDAS,  
Directors.  
(Sd.) MANILAL B. NANAVATI,  
Deputy Governor.

*Agreement between the Government of Assam and The Reserve Bank of India.*

AN AGREEMENT made this twenty-first day of April 1937 BETWEEN THE GOVERNOR OF THE PROVINCE OF ASSAM 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), as adapted and modified pursuant to the Authority contained in Section 293 of the Government of India Act 1935 by an Order of His Majesty in Council dated the Eighteenth day of March 1937 cited as the India and Burma (Burma Monetary Arrangements) Order 1937 (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 Provincial Governments and to make payments up to the amount standing to the credit of their accounts and to carry out their exchange, remittance and other banking operations including the management of the public debt and

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

(3) by section 21 (2) of the Act that Provincial Governments 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 first day of April 1937.
2. The general banking business of the Government of Assam (hereinafter referred to as "the Government") including the payment, receipt, collection and remittance of

money on behalf of the Government 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 Government through any Government officer or officers authorised by the Government 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 Government shall from time to time direct in the manner aforesaid.

3. The Government shall employ the Bank as the sole Banker in India of the Government who shall deposit or cause to be deposited with the Bank or allow the Bank to receive and hold as banker the whole of its 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 Government in the manner aforesaid receive and hold for the Government all such monies as may be or become payable to the Government or on its account and the Bank shall transact at its offices, branches and agencies for the time being existing respectively all such business for the Government 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 Government may direct. No interest shall be payable to the Government on any of the monies for the time being held by the Bank.

4. The management of the rupee public debt of the Government and the issue of new rupee loans by the Government 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 Government 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 of the Government 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 Government may from time to time direct and shall audit all payments of such interest and act generally as agents in India for the Government 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 Government.

5. The Bank shall not be entitled to any remuneration for the conduct of the ordinary banking business of the Government other than such advantage as may accrue to it from the holding of the Government cash balances free of obligation to pay interest thereon, and such balances shall be maintained at an amount not below such minimum as may be agreed upon between the Government and the Bank from time to time :

Provided that if the Government wishes to remit funds outside the area within its jurisdiction, except as otherwise provided for in this agreement the Bank shall be entitled to make a charge for such remittances at rates not exceeding those which the Bank charges to Banks referred to as "scheduled banks" in section 42 of the Act subject to a minimum charge of four annas for each remittance.

6. The Bank shall make ways and means advances to the Government if so required at such rate of interest not exceeding bank rate as may be fixed by the Bank from time to time, provided that the total of such advances outstanding at any one time shall not exceed the amount of the minimum balance prescribed under clause 5 and any subsidiary agreement provided under the clause and provided further that the advances outstanding shall be fully paid off at intervals not exceeding three months.

7. The Government shall employ the Bank as its sole agent for investments by Government either of Government funds or of funds managed by the Government and the Bank shall be entitled to charge commission for sales (but not for purchases or conversions) at the rate of 1/16 per cent. in addition to any further charges which the Bank may have to pay by way of brokerage, etc. The Bank shall collect interest and the maturity values of such investments on behalf of the Government without charge.

8. As remuneration to the Bank for the management of the public debt as aforesaid the Bank shall be entitled to charge to the Government 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 amount 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 Government or by any officer or officers of the Government authorised in that behalf provided that such amount exceeds one crore.

And in addition to the charge of Rs. 2,000 per crore per annum the Bank shall be entitled to charge to the Government 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 Government) all such fees and charges as are now or may hereafter from time to time be prescribed by the Governor General 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 :

Provided that loans not directly issued by the Government but issued under the guarantee, of the Government shall not be included in the calculation for the purpose of this clause but shall be a matter for separate arrangement if the management of such loans is entrusted to the Bank.

9. The Bank shall maintain currency chests of its issue department at such places within the Assam Province as the Government may, with the previous sanction of the Central Government, prescribe and the Government 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 Government and reasonable remittance facilities to the public at the said places. The Government 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 Government 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.

10. 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 1881) subject nevertheless and notwithstanding the provisions of that Act to any special orders or directions which may be issued by the Government 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 Government within whose jurisdiction such agencies may be respectively situated.

11. The responsibility for all loss or damage to the Government which may result from any act or negligence or omission of the Bank or its agents 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 Government and paying cheques, orders, draft bills and other documents whether negotiable or not in the Bank's capacity of bankers for the Government and whether such business be done by the Bank or by agents on its behalf the responsibility to the Government shall be that of the Bank and such responsibility shall be that of a banker to an ordinary customer.

12. The Bank shall remit on account of the Government between India and London such amounts as may be required by it 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.

13. 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 Government to be addressed to the Governor of the Bank and to be served by leaving the same with the Head Office of the Bank or addressing the same to him at the Head Office of the Bank by registered post 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 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.

14. In the event of any dispute arising as to the terms and conditions of this agreement, or as to the rights or obligations of the parties hereto such dispute or difference of opinion shall, in the event of the parties hereto failing to reach an agreement, be referred to the Governor-General whose decision shall be final and binding as between the parties hereto.

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

16. 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 Government.

IN WITNESS WHEREOF Mr. Arnold Gordon Patton, B.A. (Cantab.), J.P., I.C.S., Secretary to the Government of Assam in the Finance Department by the order and direction of the Governor of Assam 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 A. G. Patton, I.C.S.,  
Secretary to the Government of Assam in  
the Finance Department, for and on behalf  
of the Governor of Assam in the presence of

(Sd.) A. G. PATTON,  
Secretary to the Government of Assam,  
Finance Department.

(Sd.) A. V. JONES,

Deputy Secretary to the Government of Assam,  
Finance Department.

Common Seal  
of the  
Reserve Bank  
of India.

The Common Seal of the Reserve Bank  
of India was affixed hereto in the presence  
of Sir Prshotamdas Thakurdas, kt., C.I.E.,  
M.B.E., and Sir Homi MEHTA, kt., two of its  
Directors and Sir James Braid Taylor, kt.,  
C.I.E., its Deputy Governor.

(Sd.) PURSHOTAMDAS  
THAKURDAS,  
(Sd.) HOMI MEHTA,  
Directors.  
(Sd.) J. B. TAYLOR,  
Deputy Governor.

*Supplemental Agreement between The Reserve Bank of India and The Imperial Bank of India.*

AN AGREEMENT made this twelfth day of July 1937 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 supplemental to an Agreement (hereinafter referred to as "the Principal Agreement") made on the fifth day of April 1935 between the parties hereto whereby the Imperial Bank was appointed as on and from the first day of April 1935 as the sole agent of the Reserve Bank upon and subject to the terms set out in the Principal Agreement.

WHEREAS on account of the passing of the Government of India Act 1935 and the India and Burma (Burma Monetary Arrangements) Order 1937, it has become necessary that the words and expressions used in the Principal Agreement should be modified.

NOW IT IS HEREBY MUTUALLY AGREED AND DECLARED by and between the parties hereto as follows:

On and after the coming into force of The India and Burma (Burma Monetary Arrangements) Order 1937 and notwithstanding the date hereof.

- (i) references in the Principal Agreement to 'India' and 'British India' shall be construed as including references to 'Burma' and 'British Burma'.
- (ii) the expression 'Governor General in Council' when used in the Principal Agreement except in clauses 3 and 4 thereof shall mean 'the Central Government'.
- (iii) references in clauses 3 and 4 of the Principal Agreement to the Governor General in Council in relation to his general banking business his accounts and sums due to or from him and references in the Principal Agreement to Government in relation to receipts and disbursements dealt with on account of Government shall be construed as including references to the Central Government, the Provincial Governments, the Federal Railway Authority, the Governor of Burma (both in his dealings with the revenues of Burma and in his dealings with the Federal Fund of the Federated Shan States) and the Burma Railway Board.
- (iv) for the words "he thinks fit" and "in his opinion" contained in clause 13 of the Principal Agreement, there shall be substituted the words "it thinks fit" and "in its opinion" respectively.
- (v) after the words "of the Act" occurring in clause 10 of the Principal Agreement there shall be added the words and figures "and to Burma scheduled banks as defined in the India and Burma (Burma Monetary Arrangements) Order 1937".

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 James Braid Taylor, Knight Deputy Governor and Sultan Meherally Chinoy and Devidas Madhowji Thakersey two of the Directors of the Reserve Bank of India who in token of their presence have hereupon signed their names.



(Sd.) J. B. TAYLOR,  
*Deputy Governors.*  
(Sd.) SULTAN CHINYOY,  
(Sd.) DEVIDAS MADHOWJI  
THAKERSEY,  
*Directors.*

The Common Seal of the Imperial Bank of India was hereunto affixed in the presence of Sir William Lamond, Knight the Managing Director and Sir William Wright, O.B.E., V.D., 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.) W. O. WRIGHT,  
(Sd.) H. H. BURN,  
*Directors.*

## MESSAGE FROM HIS EXCELLENCY THE GOVERNOR GENERAL.

**THE HONOURABLE THE PRESIDENT:** Honourable Members, I have a Message to deliver to you from His Excellency the Governor General. It is as follows:—

### PANEL OF CHAIRMEN.

“In pursuance of the provisions of sub-section (2) of section 63A of the Government of India Act as set out in the Ninth Schedule to the Government of India Act, 1935, I, Victor Alexander John, Marquess of Linlithgow, 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 Sethna; in the second place, the Honourable Rai Bahadur Lala Ram Saran Das; in the third place, the Honourable Sir David Devadoss; and lastly, the Honourable Saiyed Mohamed Padshah Sahib Bahadur.

SIMLA,

The 7th July, 1937.

(Sd.) LINLITHGOW,

Viceroy and Governor General.”

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

### COMMITTEE ON PETITIONS.

**THE HONOURABLE THE PRESIDENT:** Honourable Members, 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 Mr. P. N. Saprú, the Honourable Diwan Bahadur Sir K. Ramunni Menon, the Honourable Mr. R. H. Parker and the Honourable Kumar Nripendra Narayan Sinha.

### DEATH OF MR. BIJAY KUMAR BASU AND MR. JATINDRA CHANDRA BANERJEE.

**THE HONOURABLE THE PRESIDENT:** Honourable Members, I have now to perform a most melancholy duty. As most of the Honourable Members are aware, we have lost a distinguished Member of the Council of State a few weeks ago, and that is the late Honourable Mr. B. K. Basu, C.I.E. He was for several years a prominent Member of this Council. He was appointed and re-appointed as a nominated Member to this Council over five times, and during the time he held office he distinguished himself as a keen debater, a sound lawyer, a distinguished citizen and, above all, a fair and generous foe as a debater. He always made a very clean fight and we had all learned to respect and admire his views. He was a trained lawyer and as such he brought to bear on his duties that legal and judicial knowledge and that perfect equilibrium of mind which always placed him in a very favourable position as regards the conduct

of debates. In various capacities he distinguished himself in this Council. His knowledge of finance, as most of you know, was very extensive. During a brief period he served as an Executive Member of the Council of the Governor of Bengal and we all know that he distinguished himself as a great administrator during his term of office. He was liked and admired in Bengal considerably on account of his capacity for work. In him we have lost a very good and tried Member whose services were of great value to this Council. Had he lived, he was destined to play a far more important and conspicuous part in the future affairs of this country. We all therefore regret his premature and irreparable loss. I know that most of you would like me to convey to his bereaved widow the sympathy and condolence of this Council, and with your permission, I shall do so.

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir I wish to associate myself, and Members on this side of the House, with what you have said about the late Mr. B. K. Basu. By his premature death the Province of Bengal and this Council have lost a notable figure who had rendered great service both to that Province and to this House.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): Sir, I rise to associate myself with the remarks which have been made by your good self and by the Honourable the Leader of the House with regard to the untimely death of the Honourable Mr. B. K. Basu. I may also add that this Council did suffer a loss in the death of the Honourable Mr. J. C. Banerjee as well, who died last year at the close of the session.

THE HONOURABLE THE PRESIDENT: I am going to refer presently to him.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS: Sir, we all deplore the loss of both these Honourable Members and wish you, Sir, kindly to convey our condolences to the families concerned.

THE HONOURABLE MR. RAMADAS PANTULU (Madras: Non-Muhammadan): Sir, I beg to associate myself with what has been said by you, Sir, and by the Leader of the House and the Leader of the Progressive Party, and on behalf of the Congress Party I beg to express our appreciation of the public services rendered by the late Mr. Basu.

\* THE HONOURABLE SAIYED MOHAMED PADSHAH SAHIB BAHADUR (Madras: Muhammadan): Sir, it is with most poignant feelings that I join in the tribute which has been paid to the memory of our late distinguished colleague, the Honourable Mr. B. K. Basu. As you have already remarked, Sir, he was one of the most distinguished lawyers of Bengal, a very sound politician, and a very sincere patriot. Sir, by his death, the Council has lost one of its most powerful debaters, whose speeches in the House were very highly appreciated, not only for the valuable contribution it made to the subject under discussion, but also for the wealth of eloquence and wit and humour which always enlivened his speeches and made them so interesting. Sir, by his death, the country has lost one of its most energetic and able public workers, who had a very wide knowledge of men and affairs. The Honourable

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\* Not corrected by the Honourable Member.



Members of this House will for a long time miss the late Honourable Mr. Basu, whose untimely death has removed from our midst one who by his genial disposition and by his free and frank manner had endeared himself to one and all of us here.

Sir, I join in the message of condolence to the bereaved family.

**THE HONOURABLE MR. R. H. PARKER** (Bombay Chamber of Commerce): Sir, we also would like to associate ourselves with what has been said about the late Mr. Basu. We looked upon him as a friend and as a very able Member of this Council.

**THE HONOURABLE THE PRESIDENT**: Honourable Members, I have also to announce with much sorrow the death of Mr. J. C. Banerjee, who was a Member of this Council. He was a new Member. He only joined us during the last Budget session of the Council. He was elected to the Council of State on the 26th December and continued as a Member till his death on the 12th April last. He had not much opportunity of showing his usefulness in the Council because of the brief period during which he was a Member. But he was a very affable man and was regarded with much regard and friendliness by all Members. It is therefore with much regret that I refer to his sad death.

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD**: Sir, I wish to associate myself with what you have said.

**THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS**: I have already associated myself.

**THE HONOURABLE MR. RAMADAS PANTULU**: I also associate myself with what you have said.

### 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, 1937, namely:—

1. The Agricultural Produce (Grading and Marking) Act, 1937.
2. The Indian Naval Armament (Amendment) Act, 1937.
3. The Land Customs (Amendment) Act, 1937.
4. The Indian Income-tax (Amendment) Act, 1937.
5. The Indian Lac Cess (Amendment) Act, 1937.
6. The Arbitration (Protocol and Convention) Act, 1937.
7. The Workmen's Compensation (Amendment) Act, 1937.
8. The Code of Civil Procedure (Amendment) Act, 1937.
9. The Code of Civil Procedure (Second Amendment) Act, 1937.
10. The Indian Electricity (Amendment) Act, 1937.
11. The Indian Boilers (Amendment) Act, 1937.
12. The Contempt of Courts (Amendment) Act, 1937.
13. The Indian Tea Cess (Amendment) Act, 1937.

14. The Indian Limitation (Amendment) Act, 1937.
15. The Indian Army (Amendment) Act, 1937.
16. The Code of Civil Procedure (Third Amendment) Act, 1937.
17. The Indian Red Cross Society (Amendment) Act, 1937.
18. The Hindu Women's Rights to Property Act, 1937.
19. The Arya Marriage Validation Act, 1937.
20. The Repealing and Amending Act, 1937.
21. The Indian Tariff (Amendment) Act, 1937.
22. The Payment of Wages (Amendment) Act, 1937.

#### 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 meetings held on the 25th and 26th August, 1937, namely:—

1. A Bill to extend the Petroleum Act, 1934, to Berar;
2. A Bill to provide for the continuance in force of certain rules and regulations; and
3. A Bill to empower the Federal Court to make rules for regulating the service of processes issued by the Court.

#### STANDING COMMITTEE ON EMIGRATION.

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 serve on the Standing Committee on Emigration, *vice* the late Mr. B. K. Basu, C.I.E.”

The Motion was adopted.

THE HONOURABLE THE PRESIDENT: With reference to the Motion which has just been adopted by the Council, I have to announce that nominations will be received by the Secretary up to 11 A.M. on Monday, the 20th September, 1937, and the date of election, if necessary, will be announced later.

#### CONGRATULATIONS TO RECIPIENTS OF HONOURS.

THE HONOURABLE THE PRESIDENT: It is my pleasant privilege now to offer on behalf of the Members of the Council of State our heartfelt congratulations to the Honourable Members in this Council who have been the recipients of Honours on the Coronation of His Majesty the King-Emperor. The first name which appeals to us is that of our distinguished friend the Chief Commissioner for Railways, the Honourable Sir Guthrie Russell. He has obtained a K. C. I. E. on that occasion. He was a Knight Bachelor before and during the last seven years he has been a Member of this Council and Chief Commissioner for Railways. As regards his work as Chief Commissioner for

[Mr. President.]

Railways many of you are fully aware of it as most of you have been in the Council during the last seven years. He has been a great railway official. After distinguished service on the G. I. P. R., at a comparatively young age he was called upon to fill the high and onerous office of Chief Commissioner for Railways, which office he has filled with much distinction and credit to himself and also with satisfaction and advantage to the Government of India. (Applause.) Many of you are aware of the part that he has played in the preparation of the Railway budgets and the speeches which he has made on several occasions in this Council with that considerable modesty which is peculiarly his own. He has merited the greatest respect and admiration not only of this Council but of the general public. He has been a very arduous worker and it is a matter of gratification to this Council to know that his period of service has been extended a few months ago for another period of two years. We want officers of the distinguished character and type of Sir Guthrie Russell, and especially when Federation comes in we require men of his ability and grasp of important railway questions and I hope his services as Chief Commissioner will continue to be available not only to Government but to this Council till Federation comes in and long after. I therefore offer on your behalf our heartfelt congratulations on the great and distinguished Honour that he has obtained. (Applause.)

I must apologise for one mistake which I have made and that is I ought first to have extended our congratulations to our esteemed Leader. We have all received the news of conferral on him of the high honour of K. C. S. I. with very great and genuine pleasure. He came to this Council after many years of laborious service and meritorious work in the United Provinces where he also distinguished himself by his marked ability, his affability and his great skill in dealing with many important political questions. In this Council he has been a tower of strength to us as a Leader. As my experience extends over 30 years in this Council I may say with confidence that as a Leader there has been none in the past who has surpassed him. He is a careful student of all subjects which he handles and when he takes up and argues a question in this Council his facts and materials are all correct and this adds great strength and force to his arguments. We hope that for many years he will continue to serve this country and this Council and I am voicing the feelings of many of you when I say that even when Federation comes and the Governor General's Council is dissolved we shall have his valuable assistance in this Council. (Applause.) I offer him on your behalf our heartfelt congratulations and wish him long life and trust that he will be able to enjoy this Honour for many many years. (Applause.)

The next Member to whom I have much pleasure to refer is our Honourable friend Mr. H. Dow (Applause), who has received the high distinction of C. S. I. Mr. Dow came to this Council after many years of good and distinguished work in the Bombay Presidency and he has been in this Council since the 2nd September, 1935. After a brief interval he had to resign. He was re-nominated again to our great pleasure on the 22nd August, 1936. During the time he has been Secretary in the Commerce Department we have all found him in every way accessible. He has given information which is required by Honourable

Members and he has been generous enough to help them in every possible way when occasion arises. We have also learnt with great admiration the part which he has taken in the performance of his work as Secretary in the Commerce Department and he has discussed important commercial questions in this Council with a lucidity and precision which we all appreciate. He fully deserves this great distinction and this Council has received this information about his Honour with much gratification and I on your behalf also congratulate him. (Applause.)

THE HONOURABLE KUNWAR SIR JAGDISH PRASAD (Leader of the House): Sir, I am very grateful to you for the flattering remarks which you have made about myself. I wish I could feel that they were deserved. I thank you, Sir, for your kindness and generosity.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner for Railways): Sir, I very greatly appreciate the very kind remarks which you have made about me and my work for Railways. I can assure you I do not deserve them.

THE HONOURABLE MR. H. DOW (Commerce Secretary): Sir, I should like to express my appreciation of the very kind terms in which you have referred to me and of the way in which the House has received your remarks.

#### RESOLUTION *RE* REPORT OF THE INDIAN RAILWAYS ENQUIRY COMMITTEE.

THE HONOURABLE SIR GUTHRIE RUSSELL (Chief Commissioner for Railways): Sir, I beg to move the following Resolution:—

“This Council recommends to the Governor General in Council that the Government of India should consider the Report of the Indian Railways Enquiry Committee, 1937, in the light of the discussions in this Council.”

THE HONOURABLE THE PRESIDENT: As the Government of India have decided to give us a special day for a full dress debate on this subject, I will ask Sir Guthrie Russell not to speak on this Resolution at present.

Resolution moved:

“This Council recommends to the Governor General in Council that the Government of India should consider the Report of the Indian Railways Enquiry Committee, 1937, in the light of the discussions in this Council.”

The debate will take place on a later date on this Resolution.

THE HONOURABLE PANDIT HIRDAY NATH KUNZRU (United Provinces Northern: Non-Muhammadan): I hope the date chosen will be convenient to all.

THE HONOURABLE RAI BAHADUR LALA RAM SARAN DAS (Punjab: Non-Muhammadan): I hope it will not be at the fag end of the session.

THE HONOURABLE MR. HOSSAIN IMAM (Bihar and Orissa: Muhammadan): Will the Honourable the Leader of the House tell us about the course of business?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD** (Leader of the House) : Tomorrow, as Honourable Members are aware, is reserved for non-official business. Three Bills have been laid on the table today and if it is the general desire that we should meet on Friday, then we shall do so. If Honourable Members, on the other hand, feel that they would like having more business before they would like to meet, then we could meet when there is sufficient official business to engage us the whole day. I am entirely in the hands of Honourable Members. If they would like to meet on Friday, we shall do so ; otherwise we shall meet later.

**THE HONOURABLE PANDIT HIRDAY NATH KUNZRU** : We should like to meet as often as business requires. We do not want holidays.

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD** : May I take it that it is the general desire that we should meet on Friday to discuss these three Bills which were placed on the table today ?

**THE HONOURABLE MR. RAMADAS PANTULU** (Mad as : Non-Muhammadan) : The Bills are of a non-controversial character. I do not think they will take more than fifteen minutes.

**THE HONOURABLE MR. HOSSAIN IMAM** : Why not have them on some other day ?

**THE HONOURABLE KUNWAR SIR JAGDISH PRASAD** : If that is the general feeling, we shall not take them up till there is more business.

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The Council then adjourned till Eleven of the Clock on Wednesday, the 15th September, 1937.