

28th February 1940

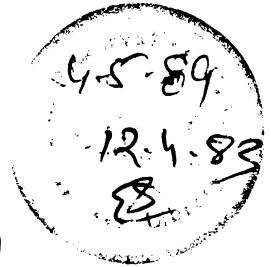
THE
LEGISLATIVE ASSEMBLY DEBATES

Official Report

Volume I, 1940

(6th February to 5th March, 1940)

ELEVENTH SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY,
1940



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1940

M2LAD

Legislative Assembly.

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THE HONOURABLE SIR ABDUR RAHIM, K.C.S.I.

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MR. N. M. JOSHI, M.L.A.

SIR ABDUL HALIM GHUZHNAVY, M.L.A.

CONTENTS.

VOLUME I.—6th February to 5th March, 1940.

	PAGES.		PAGES.
TUESDAY, 6TH FEBRUARY, 1940,—		TUESDAY, 6th FEBRUARY, 1940,—<i>contd.</i>	
Members Sworn	1—2	The Excess Profits Tax Bill— Introduced and discussion on the motions to refer to Select Committee and to circulate not concluded	87—132
Starred Questions and Answers	2—9		
Unstarred Questions and Answers	9—15		
Statements laid on the Table	15—51		
Death of Mr. Sham Lal	52—53	WEDNESDAY, 7TH FEBRUARY, 1940,—	
Motions for Adjournment <i>re</i> — Riots in Sind—Disallowed by the Governor General	53	Starred Questions and An- swers	133—143
Haj Pilgrim Traffic—Permis- sion to move not granted	53	The Press and Registration of Books (Amendment) Bill— Motion to circulate nega- tived	143—155
Panel of Chairmen	54	The Indian Penal Code (Amendment) Bill—Cir- culated	155—156
H. E. Governor General's assent to Bills	54	The Aligarh Muslim Univer- sity (Amendment) Bill— Introduced	156
Home Department Declaration of Exemptions laid on the Table	54—57	The Transfer of Property (Amendment) Bill—Intro- duced	156—157
External Affairs Department Declaration of Exemption laid on the Table	57—58	THURSDAY, 8TH FEBRUARY, 1940,—	
The Indian Arbitration Bill— Presentation of the Report of the Select Committee	58	Starred Questions and Answers	159—73
The Registration of Trade Marks Bill—Presentation of the Report of the Select Committee	58	Resolution <i>re</i> — Guiding principles in res- pect of catering contracts on Indian Railways—With- drawn	173—98
Insurance Rules laid on the Table	58—84	Air Defence of India— Adopted	198—220
Election of Members to the Standing Committee for Roads	85	FRIDAY, 9TH FEBRUARY, 1940,—	
The Drugs Bill—Introduced	85	Members Sworn	221
The Offences on Ships and Air- craft Bill—Introduced	85	Starred Questions and An- swers	221—35
The Indian Coinage (Amend- ment) Bill—Introduced	85—86	Unstarred Questions and Answers	235—37
The Reserve Bank of India (Amendment) Bill—Intro- duced	86	Messages from H. E. the Governor General	237
The Royal Indian Navy (Ex- tension of Service) Bill— Introduced	86	Election of Members to the Standing Committee for Roads	238
The Registration (Emergency Powers) Bill—Introduced	86	Committee on Petitions	238
The Foreigners Bill—Intro- duced	86—87		

PAGES.	PAGES.
FRIDAY, 9TH FEBRUARY, 1940,—contd.	THURSDAY, 15TH FEBRUARY, 1940,—
Home Department Declaration of Exemption laid on the Table	Starred Questions and Answers
238—39	399—427
The Excess Profits Tax Bill—Discussion on the motions to refer to Select Committee and to circulate not concluded	Unstarred Questions and Answers
239—79	427—29
MONDAY, 12TH FEBRUARY, 1940,—	Election of Members to the Public Accounts Committee
Member Sworn	430
281	The Reserve Bank of India (Closing of Annual Accounts) Bill—Introduced
Starred Questions and Answers	430
281—95	The Indian Arbitration Bill—Passed as amended
Statement laid on the Table	430—45
296	The Registration of Trade Marks Bill—Passed as amended
The Excess Profits Tax Bill—Referred to Select Committee	445—55
296—324	FRIDAY, 16TH FEBRUARY, 1940,—
The Registration (Emergency Powers) Bill—Passed as amended	Starred Questions and Answers
324—25	457—66
The Foreigners Bill—Passed	Presentation of the Railway Budget for 1940-41
326—27	466—75
The Royal Indian Navy (Extension of Service) Bill—Passed	The Factories (Amendment) Bill—Introduced
327—28	476
Resolution <i>re</i> amendment of Rules governing the grant of Travelling and Other Allowances to Members of the Indian Legislature—Amendment of Mr. J. D. Boyle adopted	The Indian Emigration (Amendment) Bill—Introduced
329—30	476
The Drugs Bill—Referred to Select Committee	THURSDAY, 22ND FEBRUARY, 1940,—
330	Starred Questions and Answers
The Offences on Ships and Aircraft Bill—Passed	477—82
331	General discussion of the Railway Budget
WEDNESDAY, 14TH FEBRUARY, 1940,—	483—537
Member Sworn	FRIDAY, 23RD FEBRUARY, 1940,—
333	Member Sworn
Starred Questions and Answers	539
333—49	Starred Questions and Answers
Unstarred Question and Answer	539—59
349	Unstarred Questions and Answers
Motion for Adjournment <i>re</i> Raid on the Punjab Town by Tribal Gang—Ruled out of Order	559—61
349—50	Message from the Council of State
The Indian Merchant Shipping (Amendment) Bill—Circulated	561—62
350—78	Arrangement <i>re</i> discussion of the Railway Demands for Grants
The Aligarh Muslim University (Amendment) Bill—Circulated	562—63
379—97	The Income-tax Law Amendment Bill—Introduced
	563
	The Reserve Bank of India (Second Amendment) Bill—Introduced
	563
	The Indian Coinage (Amendment) Bill—Passed
	563—66
	The Factories (Amendment) Bill—Passed as amended
	566—83

	PAGES.
FRIDAY, 23RD FEBRUARY, 1940,—contd.	
The Reserve Bank of India (Closing of Annual Accounts) Bill—Passed	583
The Indian Emigration (Amendment) Bill—Passed	583—85
The Reserve Bank of India (Amendment) Bill—Passed	585—86
SATURDAY, 24TH FEBRUARY, 1940,—	
Member Sworn	587
Starred Questions and Answers	587—600
Postponed Questions and Answers	600—03
Unstarred Questions and Answers	603—04
Election of Members to the Public Accounts Committee	604
The Railway Budget—List of Demands—	604—58
Demand No. 1—Railway Board—	605—58
Control of Capital Expenditure	605—23
Vagaries of the Grand Trunk Express running between Madras and Delhi—	624—29
Increase of Freights	630—49
Grievances of Railway Employees	650—58
MONDAY, 26TH FEBRUARY, 1940,—	
Starred Questions and Answers	659—69
Unstarred Questions and Answers	669—70
Statements laid on the Table	670—71
The Railway Budget—List of Demands	671—730
Demand No. 1—Railway Board	671—727
Grievances of Railway Employees	671—83
Muslim Grievances	683—720
Conditions of Service in Railways	721—27
Demand No. 2—Audit	727
Demand No. 3—Miscellaneous Expenditure	727
Demand No. 5—Payments to Indian States and Companies	728

	PAGES.
MONDAY, 26TH FEBRUARY, 1940,—contd.	
The Railway Budget—List of Demands—contd.	
Demand No. 6-A—Working Expenses—Maintenance of Structural Works	728
Demand No. 6-B—Working Expenses—Maintenance and Supply of Locomotive Power	728
Demand No. 6-C—Working Expenses—Maintenance of Carriage and Wagon Stock	728
Demand No. 6-D—Working Expenses—Maintenance and Working of Ferry Steamers and Harbours	728
Demand No. 6-E—Working Expenses—Expenses of Traffic Department	729
Demand No. 6-F—Working Expenses—Expenses of General Departments	729
Demand No. 6-G—Working Expenses—Miscellaneous Expenses	729
Demand No. 6-H—Working Expenses—Expenses of Electrical Departments	729
Demand No. 7—Working Expenses—Appropriation to Depreciation Fund	729
Demand No. 8—Interest Charges	730
Demand No. 10—Appropriation to Reserve	730
Demand No. 11—New Construction	730
Demand No. 12—Open Line Works	730
TUESDAY, 27TH FEBRUARY, 1940,—	
Starred Questions and Answers	731—49
Unstarred Questions and Answers	750—60
Central Government Appropriation Accounts and Finance Accounts	760
Demands for Supplementary Grants—Railways	760—81
WEDNESDAY, 28TH FEBRUARY, 1940,—	
Starred Questions and Answers	783—804

	PAGES.		PAGES.
WEDNESDAY, 28TH FEBRUARY, 1940,—contd.		FRIDAY, 1ST MARCH, 1940,—	
Resolution re—		Starred Questions and Answers	873—80
Constitution of the Simla Town as a Centrally Administered Area—Withdrawn	804—20	Statement of Business	880—81
Appointment of a Committee to formulate a Sound Policy for Depreciation and Capital Expenditure in respect of the Railways—Withdrawn	820—40	The Coal Mines Safety (Stowing) Amendment Bill—Introduced	881
Picture Gallery for New Delhi—Withdrawn	840—46	The Agricultural Produce Cess Bill—Introduced	881
Enactment of Labour Legislation on certain lines—Discussion not concluded	847—48	The Income-tax Law Amendment Bill—Passed	881—83
THURSDAY, 29TH FEBRUARY, 1940,—		The Reserve Bank of India (Second Amendment) Bill—Passed	883—91
Member Sworn	849	TUESDAY, 5TH MARCH, 1940,—	
Starred Questions and Answers	849—50	Member Sworn	893
Presentation of the General Budget for 1940-41	850—72	Starred Questions and Answers	893—900
The Indian Finance Bill—Introduced	872	Transferred - Questions and Answers	901—09
		Posts and Telegraphs Appropriation Accounts	910
		Bill passed by the Council of State	910
		General discussion of the General Budget	910—55

LEGISLATIVE ASSEMBLY.

Wednesday, 28th February, 1940.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS

APPOINTMENT OF CONTROLLERS OR LIAISON OFFICERS FOR INDUSTRIES AND CONCERNS.

222. *Mr. Muhammad Nauman: (a) Will the Honourable the Leader of the House be pleased to state the industries and concerns for which Controllers or *Liaison* Officers have been appointed by the Supply Department of the Government of India?

(b) What are their terms of remuneration? Will the Honourable Member please state the names of the individuals with those terms?

(c) Will Government please state the names of the persons appointed as Controllers or *Liaison* Officers, and enumerate the concerns and industries for which they have been appointed?

(d) What are the powers and duties of officers so appointed? Will Government please state these separately in each case?

The Honourable Sir Mohammad Zafrullah Khan: (a) (i) Steel;

(ii) Jute;

(iii) Engineering;

(iv) Leather and Tanning;

(v) Woollen;

(vi) Petroleum;

(vii) Dyes.

(b) The appointments carry no remuneration.

(c) (1) Steel, Mr. J. C. Mahindra, Adviser.

(2) Jute, Mr. P. S. Macdonald, Controller of Purchase.

(3) Engineering, Mr. P. F. S. Warren, Adviser.

(4) Leather and Tanning, Mr. A. C. Inskip, Liaison Officer.

(5) Woollen, Mr. W. B. Watt, Adviser.

(6) Petroleum, Mr. L. C. Buss, Liaison Officer.

(7) Dyes, Mr. A. F. Finlow, Adviser.

(d) Their duties are to advise the Department of Supply on matters connected with the Industry, and to act as Liaison Officers between the Department and individual industrial concerns.

Mr. Muhammad Nauman: May I know what were the chief considerations which weighed with the Government in selecting these individuals. Were they based on merits or experience of the individuals, or they were selected as a matter of favour?

The Honourable Sir Muhammad Zafrullah Khan: Favour in what respect?

Mr. Muhammad Nauman: In selecting the particular individuals?

The Honourable Sir Muhammad Zafrullah Khan: If the Honourable Member will wait till the reply to another question, which is down this morning, is given, he will find that the selections and appointments in most of these cases were made after consulting the industries concerned.

Mr. Muhammad Nauman: Regarding the leather industry, may I know what were the associations or concerns consulted?

The Honourable Sir Muhammad Zafrullah Khan: I am answering a question with regard to that. The Honourable Member had better wait till then.

Mr. Lalchand Navalrai: May I know, Sir, if these industries had any controllers before, if not is it on account of the war that control is being exercised, and whether the industries have agreed to such controllers being appointed to control the industries?

The Honourable Sir Muhammad Zafrullah Khan: I doubt whether the Honourable Member is himself aware as to what exactly he wants to know. I have not said that these industries are being controlled.

Mr. Lalchand Navalrai: These officers are called Controllers, and I would like to know what they are going to control, and if they are going to control the various industries, why has this step been taken now and why have these people been appointed as there were no such officers before?

The Honourable Sir Muhammad Zafrullah Khan: I have in answer to part (d) of the question said why they have been appointed and what their functions are. None of them is a Controller of any industry. I have not said that they are Controllers of any industries.

Mr. Lalchand Navalrai: May I also know if the industries have agreed to the appointments of these Controllers as the Honourable Member said that the industries have been consulted?

The Honourable Sir Muhammad Zafrullah Khan: Not only were they consulted, but in most cases they suggested who the particular Liaison Officer or Adviser should be, and I may perhaps try to help the Honourable Member,—I cannot do more,—with regard to the confusion he has fallen into as to control; one of these gentlemen is called the Controller of Purchase, but he does not control the industry.

Dr. Sir Ziauddin Ahmad: Who appoints these Controllers, whether the Honourable Member in charge or the Director of the Stores Department?

The Honourable Sir Muhammad Zafrullah Khan: Which Controllers?

Dr. Sir Ziauddin Ahmad: Who appoints the Controllers?

The Honourable Sir Muhammad Zafrullah Khan: Who appoints whom?

Dr. Sir Ziauddin Ahmad: Who appoints the Controllers?

The Honourable Sir Muhammad Zafrullah Khan: Who appoints whom?

Dr. Sir Ziauddin Ahmad: The Liaison Officers and the Controllers mentioned in the reply just given to the House?

The Honourable Sir Muhammad Zafrullah Khan: As it has been repeatedly explained to Honourable Members, the arrangements inside the Department as to who exercises particular powers cannot be disclosed and in any case it is no concern of the House.

Dr. Sir Ziauddin Ahmad: Do I understand then that the Honourable Member who is supposed to be incharge, but who is not actually in charge of this particular Department, has no responsibility for these appointments?

The Honourable Sir Muhammad Zafrullah Khan: I think my last answer was perfectly clear; I said it was no business of the House to find that out.

Dr. Sir Ziauddin Ahmad: Is it not the business of the House to find out who exercises the power, as to whether it is exercised by the Honourable Member or the Director. . . .?

The Honourable Sir Muhammad Zafrullah Khan: It is no business of the Honourable Member. I am here to answer questions with regard to the Department. That is all that the Honourable Member need know.

Dr. Sir Ziauddin Ahmad: And also for its efficiency. May I understand what you mean?

The Honourable Sir Muhammad Zafrullah Khan: I cannot give the Honourable Member an understanding; that is beyond my powers.

APPOINTMENT OF CONTROLLERS OR LIAISON OFFICERS FOR INDUSTRIES AND CONCERNS.

223. *Mr. Muhammad Nauman: (a) Will the Honourable the Leader of the House be pleased to state whether the industries for which Controllers or Liaison Officers are appointed were consulted?

(b) If the answer to part (a) be in the affirmative, will Government please state in detail the method adopted by the Supply Department for such consultation?

(c) Were the Commercial organisations, like the different Chambers of Commerce, consulted for the purpose? If not, why not?

(d) If the reply to part (c) be in the affirmative, will Government please state the details together with the names of such commercial organisations?

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes, except in the case of the petroleum and dyes industries, where the offers of the Burmah Shell and Imperial Chemical Industries to make officers available for the purpose have been accepted. In these two cases, owing to the predominant share of these companies in the industry, it was considered that they alone were in a position to render the assistance required.

(b) The appointments were made after consultation with, and with the unanimous approval of, representative meetings of the principal firms engaged in the industry.

(c) and (d). In the case of industries which have organised associations the appointments have the approval of these associations. It has been considered more satisfactory to proceed in consultation with the particular industry whose interests were involved rather than with the more general associations such as Chambers of Commerce.

Dr. Sir Ziauddin Ahmad: With regard to all these appointments of Controllers and Liaison Officers, with the exception of the iron and steel industry which is entirely in the hands of Indians, how many of these officers are Indians?

The Honourable Sir Muhammad Zafrullah Khan: I have read out the names of the Liaison Officers, Advisers and Controllers.

Dr. Sir Ziauddin Ahmad: Did he notice how many of them were Indians? Even hide and skin given to non-Indian.

(No reply.)

APPOINTMENT OF CONTROLLERS OR LIAISON OFFICERS FOR INDUSTRIES AND CONCERNS.

224. *Mr. Muhammad Nauman: (a) Will the Honourable the Leader of the House be pleased to state the commodities for which "Controllers" have been appointed by the Supply Department?

(b) What is the total number of Controllers and Liaisons so appointed and what are their names and designations?

(c) For what other commodities do Government propose to appoint Controllers before April 1940?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). The Honourable Member is referred to the answer just given to his question No. 222.

(c) Further controllers or advisers will be appointed as need arises, but Government are not in a position to say with regard to which particular commodities the need will arise by a particular date.

Dr. Sir Ziauddin Ahmad: For certain industries the Honourable Member has used the word "Controller", and for certain others he has used the word "Liaison Officer"; may I know what is the difference between the two?

The Honourable Sir Muhammad Zafrullah Khan: Obviously a Controller of Purchase is a person who controls the purchase of a commodity, while a Liaison Officer merely advises the Department and acts as a liaison between the Department and the particular industry or industries concerned.

Dr. Sir Ziauddin Ahmad: Then the Liaison Officer must be a person who must be on intimate terms with the Director? . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can draw his own conclusion.

Dr. Sir Ziauddin Ahmad: Has the Honourable Member noticed that in one industry there is a Controller of Industry, while in the other there is a Liaison Officer. . .

Mr. Muhammad Nauman: In explaining the method adopted to find out the names of the particular individuals appointed for these posts, the Honourable Member has told us which industries were consulted, but he has not told us which associations or firms were consulted with regard to leather and skin industry.

The Honourable Sir Muhammad Zafrullah Khan: If you will permit me, Sir, I can read out the names of the firms consulted. . . .

Mr. President (The Honourable Sir Abdur Rahim): Is it a long list?

The Honourable Sir Muhammad Zafrullah Khan: It is two typed pages.

Mr. President (The Honourable Sir Abdur Rahim): Then it can be laid on the table.

Mr. Muhammad Nauman: What were the considerations that weighed with the Government in selecting this particular officer to look after the interests of the leather and skin industry?

The Honourable Sir Muhammad Zafrullah Khan: I have explained that the appointments or selections were made, except in the two cases specifically referred to, after consultation with the firms concerned, and every one of these appointments was made on the unanimous recommendation of the firms concerned.

Mr. Muhammad Nauman: Then most of the firms recommended Europeans?

The Honourable Sir Muhammad Zafrullah Khan: I cannot answer for the firms.

Mr. Muhammad Nauman: That depends upon what importance the Honourable Member attached to particular firms.

Dr. Sir Ziauddin Ahmad: Did not the Department of Commerce in the Government of India know very well who are the best firms in hides and skins, but in spite of their knowledge they did not take the man who has got the highest position and experience in that, but they selected another person simply because he was a European?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member is not asking a question.

The Honourable Sir Muhammad Zafrullah Khan: The gentleman to whom the Honourable Member refers approached me in the matter and I told him that if the industry concerned could make an alternative recommendation on which they were agreed, I would pay every attention to that recommendation and he confessed that they could not agree among themselves.

Dr. Sir Ziauddin Ahmad: This is the best way of evading the question—that is what the British Government are already doing: "You agree among yourselves, and we shall give you Dominion Status tomorrow."

The Honourable Sir Muhammad Zafrullah Khan: If you cannot agree, what is to be done?

Dr. Sir Ziauddin Ahmad: *Status quo.*

Mr. President (The Honourable Sir Abdur Rahim): Next question.

TREATMENT OF MUSLIM EMPLOYEES IN THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS AND ITS ATTACHED OFFICES.

225. *Maulvi Muhammad Abdul Ghani: (a) Will the Secretary for Education, Health and Lands kindly state whether the Muslim Rights Protection Board and a deputation of the Muslim League Party submitted representations last year regarding treatment to Muslim employees in the Department of Education, Health and Lands and its attached offices?

(b) Will he kindly lay on the table copies of those representations and of correspondence on the subject with the Board?

Sir Gtrja Shankar Bajpai: I would invite the Honourable Member's attention to the reply I gave to Mr. M. Ghiasuddin's starred question No. 968 on March 10, 1939. The Honourable Member in charge of Education, Health and Lands, received a deputation of some Muslim Members of the Assembly on 10th November, 1938, and a copy of the letter addressed by the Department to the President, Muslims' Rights Protection Board, is placed on the table of the House.

No. D. 873/39-G.

GOVERNMENT OF INDIA

Department of Education, Health and Lands.

New Delhi, the 19th April, 1939.

From

G. S. Bozman, Esquire, C.I.E., I.C.S.,
Deputy Secretary to the Government of India,

To

Khan Bahadur Haji Rahim Baksh,
President,
Muslims' Rights Protection Board.

Sir,

I am directed to refer to your letter No. 55, dated the 8th March, 1939, addressed to the Private Secretary to His Excellency the Viceroy. I am directed to state that this Department is satisfied of the correctness of the statements in the Private Secretary's D. O. letter No. 902-G.G.(C), dated 8th/9th December, 1938, addressed to you. If, however, your Board desires to make further representations, the Secretary in this Department will be ready to meet one or two representatives for personal discussion.

I have the honour to be,
Sir

Your most obedient servant,

G. S. BOZMAN,
Deputy Secretary.

Dr. Sir Ziauddin Ahmad: The Honourable Member knows that a deputation of some Muslim Members of the Legislature waited on him and the Honourable Member in charge and presented their grievances and they said they would look into the matter, and a year has passed and we have got no reply.

Sir Girja Shankar Bajpai: The position with regard to that is that the Members said that they would ask for another opportunity for a discussion, and, as far as I know, such an opportunity has not been asked for. The grievances which Honourable Members brought to the notice of the Honourable Member in charge of the Department of Education, Health and Lands were those set out in the letter of the Muslims' Rights Protection Board and the Muslims' Rights Protection Board's letter has been answered.

Dr. Sir Ziauddin Ahmad: The Honourable Member said that we had asked for another opportunity and we never wrote about it. I telephoned several times and I wrote to him several times, but there was no reply.

Sir Girja Shankar Bajpai: I am surprised that the Honourable Member suggests that he telephoned several times and wrote several times; I can assure him that there is not one single letter on record in my office.

MUSLIMS IN THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS AND ITS ATTACHED OFFICES.

226. *Maulvi Muhammad Abdul Ghani: (a) Will the Secretary for Education, Health and Lands kindly state how many officers, including administrative officers, there are in the Department of Education, Health and Lands and its attached offices at headquarters, and how many of them are Muslims, figures for each office to be given separately?

(b) What is the number of permanent Superintendents in that Department and attached offices, separately, and how many of them are Muslims?

(c) How many posts are there in the same group of departments carrying special pays, and how many of them are held by Muslims?

(d) How many appointments were made in each of these categories, *viz.*, officers, administrative officers, superintendents and posts carrying special pay, during the last two years and how many of them were filled by Muslims (figures for each office to be given separately)?

Sir Girja Shankar Bajpai: A statement containing the information is placed on the table.

Statement showing the (i) No. of Officers and Supervisors, (ii) No. of posts carrying special pay and (iii) No. of appointments made during 1938 and 1939 in each of these categories, in the Department of Education, Health and Lands and its attached offices.

	No. of officers employed.		No. of permanent Supdts.		No. of posts carrying special pay.				No. of appointments made during the years 1938 and 1939 in each of the categories mentioned in columns 2, 3 & 4.					
	2		3		4				5		6			
	Total No.	Muslims.	Total No.	Muslims.	Stenographers.	Muslims.	Assts. or clerks.	Muslims.	Officers.	Supdts.	Posts carrying spl. pay.			
								Total	Muslims.	Total	Stenos.	Assts. or clerks.	Total	Muslims.
Department of Education, Health and Lands.	8	..	7	1	3	..	2	..	6	1	..	..	1	..
Office of the Director General, Indian Medical Service.	8	..	2	..	..	..	4	2	8	1	..	..	2	1
Office of the Director General of Archaeology in India.	3	..	1	..	1	..	1	1	..	1	..	..	1	1
Imperial Council of Agricultural Research.	6	..	3	1	1	..	3	1	3	1	..	..	..	..

*A Muslim has been selected for one of the posts of Superintendent and will join shortly.

Mr. Muhammad Nauman: May I know at least the figures? What are the exact figures of the number of Muslims?

Sir Girja Shankar Bajpai: If my Honourable friend will look at the question, he will find that six departments are dealt with. All the figures are there, I cannot carry them in my head.

PERSONS PROMOTED FROM LOWER TO FIRST DIVISION IN THE DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

227. *Maulvi Muhammad Abdul Ghani: Will the Secretary for Education, Health and Lands kindly state how many men were given departmental promotion from lower division to First Division in the office of the Education, Health and Lands during the last five years, and how many of them were Muslims?

Sir Girja Shankar Bajpai: Three, none of whom was a Muslim.

APPOINTMENT OF CONTROLLERS OR LIAISON OFFICERS FOR INDUSTRIES AND CONCERNS.

228. *Sardar Sant Singh: (a) Will the Honourable the Leader of the House kindly state for which industries and trades, Liaison Officers or/and Controllers of purchases, or/and Controllers, have been appointed for the Supply Department giving the community they belong to, the conditions of the appointment of each of them, the trades, or concerns or industries with reference to which each of them has been appointed, and the duties which each of them has been assigned, and the power each of them exercises?

(b) Is it a fact that the Federation of Indian Chambers of Commerce lodged a strong protest against the appointment of Europeans alone as such Officers or Controllers?

(c) Is it a fact that an assurance was held out that each trade or industry or concern will be fully consulted before such appointments, and such officers will be chosen in accordance with the wishes of the industry, trade or concern interested? If so, will the Honourable Member please state with reference to each Controller, Liaison Officer and Controller of purchases, as to which industry, trade or concern interested (giving the names of the firms, business companies, etc.) were consulted, the method of consultation adopted, the names of the firms, etc., to whom invitations were issued in case the method adopted was that of a conference and the names of the firms, concerns, etc., which were represented at such a conference?

The Honourable Sir Muhammad Zafrullah Khan: (a) The Honourable Member is referred to the reply I have just given to Mr. Muhammad Nauman's starred question No. 222.

(b) No such protest has been received by Government.

(c) Does not arise.

Sardar Sant Singh: May I know what are the conditions of the appointment of each of these officers? I do not think it was referred to in question No. 222.

The Honourable Sir Muhammad Zafrullah Khan: I said no remuneration was being paid to them.

Sardar Sant Singh: I am asking about the conditions of the appointment of each of these,—what are they to do, how are they to do, when are they to do, and what are the duties assigned to them?

The Honourable Sir Muhammad Zafrullah Khan: They are to advise the Department of Supply with regard to matters that I mentioned in answer to part (d) of question No. 222. They are to do it all the time, they are to do it to the best of their capacity, and they are to do it in the manner that seems best to them.

Sardar Sant Singh: Is it a fact that these European liaison officers and Controllers of Purchase are doing the same business for which they are appointed, and thus, their preference to such appointments lead to their monopolisation of the business to themselves at the cost of other dealers in the same commodities?

The Honourable Sir Muhammad Zafrullah Khan: The answer to the first part of the question is, obviously only those people can advise the Department who have got some experience of the matter, and as regards the second part, I think it is an unfounded insinuation.

Sardar Sant Singh: May I know if it is a fact that some contracts have been given to those very firms which are under these officers who have been appointed, for the supply of those goods?

The Honourable Sir Muhammad Zafrullah Khan: Now, the Controller of Purchase in the case of jute, for instance, is the Chairman of the Jute Millowners' Association. Obviously the contracts have got to go to the owners of jute mills. Whom else should they go to?

Sardar Sant Singh: May I know if they control the purchase, is it the intention?

The Honourable Sir Muhammad Zafrullah Khan: Yes.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot go into all those questions over again. Next question.

APPOINTMENT OF CONTROLLERS OR LIAISON OFFICERS FOR INDUSTRIES AND CONCERNS.

229. ***Sardar Sant Singh:** (a) Will the Honourable the Leader of the House please state if it is a fact that Liaison Officers for (i) leather, (ii) hide and skins, (iii) wools, and (iv) heavy chemicals, have been appointed? If so, are they all Europeans? If so, what are their qualifications and the emoluments given to each?

(b) Which are the firms which were consulted before the appointment of these Liaison Officers?

The Honourable Sir Muhammad Zafrullah Khan: (a) and (b). The Honourable Member is referred to the answers just given to his starred question No. 228 and to Mr. Muhammad Nauman's starred question No. 222.

Sardar Sant Singh: As regards emoluments given to them, does the Honourable Member mean, when he says that no emoluments are given, that no emoluments in the form of commission are given and that no profit either directly or indirectly is made by them out of this job?

The Honourable Sir Muhammad Zafrullah Khan: No emoluments by way of salaries or commissions are given to these gentlemen for performance of their duties as advisers, liaison officers or controllers.

Dr. Sir Ziauddin Ahmad: Have Government assured themselves that these Liaison Officers do not get commission from those persons among whom they distribute these orders?

The Honourable Sir Muhammad Zafrullah Khan: Orders are placed by the Department itself.

Dr. Sir Ziauddin Ahmad: And not on the recommendation of the Liaison Officer?

The Honourable Sir Muhammad Zafrullah Khan: In the case of Controller of Purchase, I believe some arrangement is arrived at satisfactory to the industry itself. In other cases, orders are placed by the Department.

Dr. Sir Ziauddin Ahmad: The Honourable Member did not reply to my question. Do these Liaison Officers get some kind of fee or commission for recommending certain individuals of their own trade from whom purchases should be made?

The Honourable Sir Muhammad Zafrullah Khan: I should be considerably surprised if that were so.

Dr. Sir Ziauddin Ahmad: A vicious circle is being created. The Director creates persons whom he knows best, the liaison creates individuals whom he knows best, and naturally the honest men are left out.

The Honourable Sir Muhammad Zafrullah Khan: They create nobody. I have been at pains to explain that these people have been appointed on the unanimous recommendation of the firms carrying on the particular kind of business with whom they have to deal, and obviously, if Government were not to accept those recommendations, what else were they to do? The appointments are satisfactory to the firms, they may not be satisfactory to Honourable Members.

Dr. Sir Ziauddin Ahmad: Were those Liaison Officers not in hides and skins, but in other industries, appointed on the unanimous recommendation of the industry?

The Honourable Sir Muhammad Zafrullah Khan: I offered to read out the names of the firms.

PROVISION OF A TAP FOR UNFILTERED WATER IN ORTHODOX QUARTERS IN NEW DELHI.

230. *Bhai Parma Nand: (a) Is the Honourable Member for Labour aware that taps are provided for unfiltered water in the compounds of all the bungalows and unorthodox quarters in New Delhi?

(b) Is he also aware that such water is used, free of cost, for gardening and other requirements of the respective bungalows and quarters?

(c) Is he further aware that on the location of the Government of India Secretariat in Delhi permanently, Government have decided to supply *khaskhas* tattis in all the bungalows and quarters in Delhi?

(d) Is he further aware that without a provision of a tap for a similar kind of water in orthodox quarters (A, B, C, D, and E type) the staff residing in such type of quarters would be burdened with additional expenditure on account of using filtered water for *khaskhas* tattis and gardens, etc., in making their quarters comfortable for summer residence?

(e) Is he further aware that if such a waste of filtered water for these purposes is not prohibited, Government will have to undergo a heavy expense to cope with the excess demand?

(f) Is he also aware that the Secretariat staff has by their location in Delhi been deprived of many allowances and facilities and that the burden of the additional expenditure on account of excess water would be too much?

(g) Is he prepared to consider the desirability of providing a tap for unfiltered water in all the orthodox quarters at an early date?

(h) If not, why are the tenants of orthodox quarters being treated differently?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) to (c). Yes.

(d) to (h). I am considering the desirability of providing a tap for unfiltered water in these quarters.

Pandit Krishna Kant Malaviya: Is the Honourable Member aware that the taps in the unorthodox quarters are generally to be found in hedges which serve the purpose of partition between two bungalows or compounds and are not of much use to the residents of the quarters?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I regret that my knowledge does not extend so far.

Pandit Krishna Kant Malaviya: Will he kindly make enquiries?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: If representations are made by those who are concerned I shall look into the matter.

Mr. Lalchand Navalrai: May I know from the Honourable Member if he proposes to supply these taps to those bungalows which have not got them?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I said that I am considering the desirability of that. I cannot put it higher than that before a decision is taken.

Mr. Lalchand Navalrai: Will the Honourable Member consider that those that have not got a tap are paying for the water, they are expending over it, and some allowance should be given for that.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I am afraid the Honourable Member has misunderstood the position. Every house has got a tap. We are now speaking of taps with unfiltered water for garden and other purposes. I said I shall look into the question and see how far that defect can be remedied.

Mr. Lalchand Navalrai: I am referring to clause (f) of the question where additional expenditure is being spent. I ask why should not that be given to them in some form?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: There is no question of additional expenditure at all.

AUTHORISATION OF AN OFFICER OF THE SUPPLY DEPARTMENT TO RECOMMEND CANDIDATES FOR ADDITIONAL WAR ESTABLISHMENTS OF INDIAN STORES DEPARTMENT AND CONTRACTS DIRECTORATE.

231. *Maulvi Muhammad Abdul Ghani: (a) Will the Honourable the Leader of the House be pleased to state if any officer of the Supply Department was authorised to recommend candidates for the additional war time establishments of Indian Stores Department and Contracts Directorate?

(b) How many of the candidates are Muslims?

The Honourable Sir Muhammad Zafrullah Khan: (a) No.

(b) The Honourable Member is referred to the statement laid on the table of this House in reply to Mr. H. M. Abdullah's starred question No. 172 on the 24th February, 1940.

Maulvi Muhammad Abdul Ghani: May I know how the recruitment has been made up to now?

The Honourable Sir Muhammad Zafrullah Khan: Recruitment has been made by the Department.

Maulvi Muhammad Abdul Ghani: I want to know whether in making the recruitment any particular officer has been authorised or not?

The Honourable Sir Muhammad Zafrullah Khan: I cannot obviously answer that question. Some officer must have been authorised.

Maulvi Muhammad Abdul Ghani: May I know whether any protest has been made to that particular officer who makes the recruitment.

The Honourable Sir Muhammad Zafrullah Khan: The first part of the question was whether any officer of the Supply Department was authorised to recommend candidates for the additional war time establishments of the Indian Stores Department and the Contracts Directorate. The answer was "No". They made their own arrangements.

Maulvi Muhammad Abdul Ghani: May I know whether any instruction was issued to that officer to give effect to the Resolution of the Government of India of 1984 regarding the representation of various communities?

The Honourable Sir Muhammad Zafrullah Khan: I have answered that before, and I believe, later on, on some other day, there is another question by the same Honourable Member to that effect. Why try to anticipate the reply?

LUMP SUM GRANTED FOR OFFICE ESTABLISHMENT AND CONTINGENCIES TO THE ADVISERS AND LIAISON OFFICERS IN THE SUPPLY DEPARTMENT.

232. *Maulvi Muhammad Abdul Ghani: Will the Honourable the Leader of the House kindly state if the Advisers and Liaison Officers in the Supply Department are granted a lump sum of Rs. 1,000 for their office establishment and contingencies?

The Honourable Sir Muhammad Zafrullah Khan: There is no fixed allowance for the office establishment and contingencies of Advisers and Liaison Officers. The allowances are fixed in each case by the Supply Department in consultation with the Finance Department on a consideration of the needs in each case.

Dr. Sir Ziauddin Ahmad: If it is proved to the Government that these Liaison Officers receive a fee or commission, will they dismiss these Liaison Officers?

The Honourable Sir Muhammad Zafrullah Khan: If it is proved to the satisfaction of Government that any particular officer or any other person connected with Government is taking bribes, no doubt they will take appropriate action.

Sardar Sant Singh: May I know if it is a fact that some lump sum has been fixed for these officers in respect of establishment charges and contingencies?

The Honourable Sir Muhammad Zafrullah Khan: That is exactly what I have answered. There is no fixed allowance for the office establishment and contingencies of Advisers and Liaison Officers. The allowances are fixed in each case by the Supply Department in consultation with the Finance Department on a consideration of the needs in each case.

Maulvi Muhammad Abdul Ghani: May I know whether any instruction has been issued to the Liaison Officers to appoint persons from various communities?

The Honourable Sir Muhammad Zafrullah Khan: The Liaison Officers are expected to make their own arrangements.

Mr. President (The Honourable Sir Abdur Rahim): The next three questions and their answers will be laid on the table, as they are in excess of the Honourable Member's quota.

EMPLOYMENT OF SECRETARIAT ASSISTANTS ON ROUTINE WORK IN THE SUPPLY DEPARTMENT.

233. *Maulvi Muhammad Abdul Ghani: Will the Honourable the Leader of the House be pleased to enquire into the employment of Secretariat Assistants on purely routine work in the Department of Supply, like the

preparation of pay bills, handling of cash, routine correspondence and other routine work? If so, why has the Secretariat procedure of using clerks for this kind of work not been followed in this Department?

The Honourable Sir Muhammad Zafrullah Khan: There is no such general practice in the Supply Department as the Honourable Member's question suggests. But the post of cashier, which is ordinarily filled in other departments by a second division clerk, is at present held by an Assistant who was taken over from the Defence Co-ordination Department in the same capacity. It will be recognised that the starting of a new branch in a new organisation requires somewhat different qualification to the carrying out of the routine duties of an existing branch. It is the intention to hand over the work of the cashier to a routine clerk at an early date.

STAFF RECRUITED IN THE SUPPLY DEPARTMENT.

234. *Maulvi Muhammad Abdul Ghani: Will the Honourable the Leader of the House be pleased to state:

- (a) the number of total staff recruited in the Supply Department under various categories since August 1939;
- (b) the number taken from other offices; and
- (c) the number recruited directly with special qualifications warranting their admittance?

The Honourable Sir Muhammad Zafrullah Khan: (a), (b) and (c). I lay on the table a statement giving the information called for.

Statement showing the number of total staff recruited in the Supply Department since August, 1939, the number taken from other offices, and the number recruited direct.

— —	Staff taken from other offices.	Directly recruited.	Total.
Officers.	18	7	25
Superintendents.	2	1	3
Assistants.	23	4	27
Stenographers.	7	5	12
Second Division Clerks.	4	2	6
Routine Division Clerks.	25	14	39
Timber Inspectors.	1	1	2
Inferior Staff.	18	38	56

NOTE.—All the officers directly recruited have special qualifications for the work for which they were recruited. The other grades of the establishment have the qualifications usually required for the grades in which they are serving.

STAFF RECRUITED IN THE SUPPLY DEPARTMENT.

235. ***Manvi Muhammad Abdul Ghani**: Will the Honourable the Leader of the House please state how far the following facts and figures about the Supply Department are correct :

(a) recruitment after 1st October, 1939, to 31st January, 1940.

	Total.	Non-Muslims.	Muslims.
Assistants-in-charge	1	1	..
Assistants	10	9	1
Stenographers	4	3	1
Clerks, Second Division	6	4	2
Clerks, Third Division	19	16	3

(b) promoted from Third Division to First Division—Total 6; Muslims Nil;

(c) four out of the five candidates passed a test in shorthand in Simla and were promoted to First Division and the fifth who failed was posted to work with the Secretary and granted Rs. 50 as allowance; and

(d) there are three posts of stenographers carrying allowance and none of them is held by a Muslim?

The Honourable Sir Muhammad Zafrullah Khan: The facts are:

(a) Recruitment after the 1st October, 1939, to 31st January, 1940.

	Total.	Non-Muslims.	Muslims.
Assistants-in-charge	1	1	..
Assistants	8	7	1
Stenographers	5	3	2
Second Division Clerks	7	5*	2
Routine Division Clerks	20	17	3

* One since discharged.

(b) Four, of which none is a Muslim.

(c) Four persons were tested. The successful candidate was subsequently attached to Secretary with the usual allowance of Rs. 50 granted to stenographers filling these appointments. Two of the other three have since been appointed to the first Division.

(d) There are only two posts of stenographers carrying allowances, *vis.*, Personal Assistant to Director General of Supply and stenographer to Secretary. The present incumbents are non-Muslims.

HAJ PILGRIMS CARRIED IN "RIZWANI" OF THE TURNER MORRISON AND COMPANY.

236. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Will the Secretary for Education, Health and Lands please state the capacity of the pilgrim ship "Rizwani" of the Turner Morrison and Company for carrying pilgrims of each class?

(b) How many passengers were carried in each class by the pilgrim ship on her voyage to Jeddah when she left Karachi on or about the 5th January last? How many of them were ladies, and how many were children of underage who were exempt from paying fares?

(c) Is it a fact that the pilgrim ship carried about 153 deck passengers over and above the allowed number? Is it a fact that a great inconvenience and trouble was caused to the pilgrims thereby, and that the pilgrim ship became very stuffy and unhealthy?

(d) Is it a fact that Government granted permission to the Company to carry more than the allowed number of passengers? If so, why was this done so, and if no permission was sought and granted, what action do Government propose to take against the Company for breach of rules?

Sir Girja Shankar Bajpai: (a) and (b). A statement is laid on the table.

(c) She carried 153 deck passengers in excess of the number of such passengers allowed by her certificate. Government realise that the deck passengers may have suffered a certain amount of inconvenience.

(d) Government agreed to allow the "Rizwani", which was the last ship of the season, to carry passengers from Karachi in excess of the normal complement in order to provide accommodation for a number of unexpected pilgrims who arrived late at that port and for whom no other ship could then be made available in time to enable them to perform the Haj. I would add that the Chairman of the Karachi Port Haj Committee requested Government that excess upto ten per cent. of the ship's normal capacity should be allowed. Actually the number allowed was below this figure.

Statement.

(a) The s. s. "Rizwani" is certified to carry 1,446 pilgrims as follows:

1st class	..	34
2nd class	..	Nil
Deck class	..	1,412

(b)	Class	Males	Females	Total
	1st ..	11	11	22
	Deck ..	1,321	244	1,565
		1,332	255	1,587

The total number included 33 infants who were exempted from payment of the steamer fare.

Mr. Muhammad Nauman: May I know why Messrs. Turner Morrison and Co. put the "Rizwani" on dock for two days?

Sir Girja Shankar Bajpai: The "Rizwani" was the last ship to sail for the Haj from Karachi.

SHORTAGE OF STEAMERS FOR HAJ PILGRIMS.

237. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: Will the Education Secretary please state whether it is a fact that all the intending pilgrims could not go to Haj, as steamers were not available on pilgrim ports of Karachi and Bombay, and no arrangements were made?

Sir Girja Shankar Bajpai: Government are not aware that any intending pilgrim who had the necessary funds was unable to perform the pilgrimage owing to lack of accommodation.

Mr. Muhammad Nauman: Is it not a fact that intending pilgrims from Baroda and other places wrote to Turner Morrison and Co. and probably sent copies to the Government of India in that connection that they could not get accommodation because of no publication by Turner Morrison?

Sir Girja Shankar Bajpai: I do not know what my friend means by 'publication by Turner Morrison'. Messrs. Turner Morrison advertised the ships in the ordinary way this year as they had done in previous years. As regards the first part of the question, I would like to explain that actually the first four ships sailed from Bombay and Karachi, one after the other as it were, with a complement less than the maximum that they were authorised to carry and the last ship sailed with a complement in excess, which means that if there was any excess, that was carried by the last ship. Nobody could have been left behind.

Mr. Lalchand Navalrai: May I know what is meant by the usual way of advertising?

Sir Girja Shankar Bajpai: I should like to ask my friend to address the question to somebody who is an expert in advertising.

Mr. Lalchand Navalrai: The Honourable Member said that they did it always.

Sir Girja Shankar Bajpai: I was referring to the practice—not the manner of that practice.

Mr. Lalchand Navalrai: What is that practice then?

Sir Girja Shankar Bajpai: To advertise.

Mr. Lalchand Navalrai: Advertisement in the papers or in any other way? The Honourable Member knows how.

Sir Girja Shankar Bajpai: If the Honourable Member wants details of that, I shall get him the information if he will put down a question.

Dr. Sir Ziauddin Ahmad: In refusing the request of the Scindia Company, did the Government consider the inconvenience which will be caused to the Haj pilgrims by giving a monopoly?

Sir Girja Shankar Bajpai: We refused no request from the Scindia Co. It was the Scindia Co. which refused to carry the pilgrims on the terms proposed by Government.

Maulana Zafar Ali Khan: Is it a fact that the difficulties experienced by these pilgrims were due to the fact that there was only one company in the field, Turner Morrison and Co. and discrimination was made against the Scindia Steam Navigation Co.

Sir Girja Shankar Bajpai: In so far as the question of discrimination between the companies is concerned, that question has been asked before and I submit that that does not arise out of this. As regards the question as to whether inconvenience was caused by reason of insufficiency of accommodation, I would recall to my Honourable friend what I said to Mr. Nauman just now, that the first four ships sailed without their usual complement of pilgrims.

APPOINTMENT OF MESSRS. FERGUSON AND COMPANY AS THE MANAGERS OF THE ALLIANZ UND STUTTGARTER LIFE BANK.

238. *Bhai Parma Nand: (a) Will the Honourable the Commerce Member please refer to the Press Note, dated the 22nd November, 1939, in which the appointment of Messrs. Ferguson and Company, Chartered Accountants, Bombay, as the Managers for British India, of the "Allianz und Stuttgarter Life Bank" was announced and state the criterion which determined this appointment?

(b) Will Government state if other parties also volunteered their services for the management of this Company?

(c) Why was it not considered desirable to hand over the management of this Company to an Insurance Office?

(d) Will Government disclose the remuneration that has been allowed to the present Managers?

(e) Is it a fact that the remuneration has been fixed at 15 per cent. of the premium collection, or Rs. 4,000 per month whichever be the greater?

(f) Does this stipulation include administration expenses or they are exclusive of the same?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:

(a) Messrs. A. F. Ferguson and Company have been selected as Managers for the Allianz und Stuttgarter Life Insurance Bank, Limited, because they are a leading firm of commercial accountants and auditors readily available in Delhi and are considered suitable for this type of work.

(b) The reply is in the affirmative.

(c) The policy of the Government is to vest the property of enemy firms in the Custodian for the purposes, first, of preventing benefits accruing to the enemy and, secondly, of preserving the property pending a post-war settlement. It was felt that the second object would be best served by entrusting the management of the business to a firm which was not a business rival.

(d) The matter is still under the consideration of Government.

(e) and (f). The questions do not arise, in view of the reply I have given to part (d).

Mr. Muhammad Nauman: May I know in this connection whether the remuneration that has been offered is more than 10 per cent. and other firms offered to work for 2 per cent. and other chartered accountants are charging only 2 per cent.?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: None of the first two premises of the Honourable Member is correct. They have not been given any remuneration so far. No remuneration has been fixed. The matter is under consideration and no firm has offered to work at the particular percentage that the Honourable Member has named.

ADVISORY COMMITTEE FOR CONTROLLING THE ALLIANZ UND STUTTGARTER LIFE BANK.

239. *Bhai Parma Nand: (a) Will the Honourable the Commerce Member please refer to the Government Press Note announcing the personnel of the Advisory Committee which controls the management of "Allianz" through Messrs. Ferguson and Company, and state if he proposes to consider the nomination of a policyholder of the Company to this Board which consists of officials only?

(b) Have Government seen the circular letter, dated the 23rd December, 1939, which issued from the Head Office of the "Allianz" to its policyholders?

(c) Is it a fact that this Circular was issued after it had been approved by the said Advisory Board?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) The question has already been considered by Government but they have not considered it necessary to nominate a policyholder to the Board.

(b) Yes.

(c) The circular was approved by Government before issue.

ECONOMY IN THE ADMINISTRATION AND STAFF OF THE ALLIANZ UND STUTTGARTER LIFE BANK.

240. *Bhai Parma Nand: (a) Will the Honourable the Commerce Member please state what steps Government have taken to affect economy in the administration of the "Allianz" Company?

(b) What will be the fate of the With-Profit policies of this Company?

(c) Is it a fact that all appointments to the staff of the Company have been made afresh the previous contracts having been considered as automatically cancelled by the outbreak of War?

(d) Is it a fact that the Provident Fund of the Company existing for the sole benefit of its employees stands dissolved?

(e) Is it a fact that a large number of Head Office employees of the Company submitted a formal application early in December, 1939, for the dissolution of the Provident Fund and prayed for early disbursement of the dues?

(f) Is it a fact that instead of declaring the Provident Fund as dissolved, further contributions have been made towards it for the benefit of the present staff?

(g) Are Government aware of extreme hardship to which the ex-employees of this Company have been put to on account of their dues against the Provident Fund not having been paid, although in most of the cases, they lost their jobs on the 30th November, 1939?

(h) Are Government prepared to consider that facilities are afforded to these ex-employees in seeking jobs elsewhere?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:

(a) As a result of the decision that new contracts may not be undertaken, it has been found possible to effect appreciable economies by reducing staff and by closure of certain branch offices.

(b) Government are unable as yet to forecast the prospects of the With-Profit policyholders.

(c) Yes.

(d), (f) and (g). Due to certain legal difficulties the questions connected with the present position and the future administration of the Provident Fund of the Company are under the consideration of Government. Every effort will be made to reach an equitable decision as soon as possible.

(e) An application was received, bearing the signatures of seventeen persons.

(h) The general question of doing what is possible to help ex-employees of enemy firms to find employment is being dealt with by the Defence Co-ordination Department.

RESOLUTION *RE* CONSTITUTION OF THE SIMLA TOWN AS A CENTRALLY ADMINISTERED AREA.

Bhai Parma Nand (West Punjab: Non-Muhammadan): Sir, I move:

"That this Assembly recommends to the Governor General in Council that he may be pleased to get Simla town transferred from the Punjab Government to the Government of India and constitute it as a centrally administered area."

Sir, I have to lay before you my grounds for asking this House to accept my Resolution. First of all, this town of Simla was discovered in the beginning of the last century by one British political officer, Major Kennedy, and since that time it has become a hill station for the Government of India. The Viceroy along with his retinue came all the way from Calcutta to Simla.

Simla has another peculiar circumstance attached to it and that is that when Nepalese forces invaded these hills and took possession of a great part, they wanted to dispose of the whole area only on an offer of Rs. 20,000 as compensation for their expenditure on that invasion. It was some treasurer of the Patiala State that made arrangements for that sum and the Patiala State got possession of all the hill area that now belongs to that State. It was in the course of that bargain that the British officers there in Simla got possession of Simla—which was either a sort of commission for the bargain or as a favour to the British authority.

Since then it has been the summer seat of the Government of India for a very long time, and that was much before the Punjab was either conquered or annexed.

After the annexation of the Punjab, I think, Simla was made over for convenience of administration to the Punjab Government, and since then there has been going on a sort of dual Government in Simla. The Punjab Government hold the administration, but all the rest has been done by the Central Government. Most of the improvements made in the Simla town are made by the Central Government and at the cost of Central Revenues. Very little was done by the Punjab Government in making any improvement for this town and, naturally, the most part of the Government property in Simla belongs to the Central Government. It is for this purpose that the Central Government has invested crores of rupees for the improvement of this town and, therefore, I think it has got a greater interest in keeping it under its own administration. There is no doubt that the administration has been going on satisfactorily under this dual control, but we know that new constitutional changes are being introduced and the provinces have become fully autonomous, and, naturally, this town also shall come completely under the control of the Punjab Government.

Sir Syed Raza Ali (Cities of the United Provinces: Muhammadan Urban): That is the reason why it should remain with the Punjab Government.

Bhai Parma Nand: Well, for that reason, Delhi also should remain under the Punjab Government.

Kunwar Hajee Ismail Ali Khan (Nominated Non-Official): Are you not satisfied with Provincial Autonomy?

Bhai Parma Nand: Of course not—so far as the Punjab is concerned, we are not. We are not at all satisfied, but apart from that, as my point does not concern Provincial Autonomy, it is simply this that Simla has been a town under the administration of the Central Government and that Government have invested crores of rupees in the improvement of that town; therefore, its administration should be kept in their own hands. The Punjab Government cannot spend any money; even now, after a good deal of trouble they are expected to give about two or three lakhs to the municipality, but the Government of India are going to contribute ten lakhs towards its further improvement. This town has all along been the concern of the Central Government and the Punjab Government has come in merely as an interloper. It belonged to the Central Government long before and, I think, it was the Viceroy, Lord Curzon, who had a proposal to take it away from the Punjab Government and to keep it under the Central Government. My point thus has no concern with the question of Provincial Autonomy. On that point my Honourable friend, Sardar Sant Singh, might enlighten the House.

Sardar Sant Singh: Do it yourself.

Bhai Parma Nand: But you know more about the administration of our Province.

Captain Sardar Sir Sher Muhammad Khan (Nominated Non-Official):
Where then will the Government of the Punjab go in the summer?

Bhai Parma Nand: There are two answers to the question. In the first place, I think the Punjab Government can remain in its own area, Chota Simla; there would be no objection to that Government keeping that part of Simla. The other answer is: the Punjab Province has got so many other hill stations. One is Murree, another is Dalhousie, the Government can move to any other hill station which they have got, but so far as the Central Government is concerned, Simla is the only place for the Central Government during the summer time. It has been all along the summer seat of the Central Government. The Central Government has got no other place to go to during the summer. It is evident from what is going on, even now, the most part of the offices of the Central Government Secretariat go to Simla during summer, although they have tried to stop partially the exodus this time but they are meeting with difficulty. Therefore, I say Simla must remain under the control of the Central Government on account of the new constitutional changes that are coming in a very short time.

Sir Syed Raza Ali: Why?

Bhai Parma Nand: Because it has been so treated all along and the Central Government has invested so much on its improvements.

An Honourable Member: What about the Punjab Government?

Bhai Parma Nand: The Punjab Government has done some improvements in Chota Simla and I have no objection to their keeping that part of Simla if they so like. The other reason is that Delhi is the capital of India, which has been taken out from the Punjab and is being administered centrally. The Government of India have to remain in Delhi for some time and for about half the year they have to go up to Simla, it will be in the fitness of things if both these towns are brought under one administration and should be considered as the metropolitan towns of India. That is the case in the United States of America, where Washington has got a separate and independent administration.

There is another reason for Simla to be administered by the Central Government. The Simla town, with its area of about ten square miles or so, is surrounded by Hill States, which are more than twenty-five in number. Formerly, these Hill States had their political connection with the Senior Deputy Commissioner, who was also an Agent of the Punjab Government, but under the new Constitution all these States have direct relations with the Central Government. Simla is an isolated place and having been surrounded by so many Hill States, which are all connected with the Central Government, it seems somewhat anomalous that this town should remain under the control of a province and not under the control of the Central Government.

There are other reasons also. The electric generating station for Simla is situated in a Hill State and the water supply of Simla also comes from a Hill State. The Central Government can carry on negotiations, if necessary, with these States better than the Punjab Government. Again, Simla is the headquarters of the Army Department. So many

offices belonging to the Army Department are located in Simla and a large number of clerks and officers have to reside there all the year. The Provincial Government can naturally have no control over the Army Headquarters. Besides, there may arise some constitutional difficulty on account of a conflict between the Punjab Government and the Central Government. I remember the case of Professor Ranga, whose entry into the Punjab was banned by the Punjab Government but he had to attend the Session of the Assembly. So, special permission had to be given by the Punjab Government and they allowed him to go to Simla only to attend the Assembly Session and to make no speeches outside the precincts of the Assembly Chamber. This kind of anomaly is bound to arise when the Provincial Government is perfectly autonomous. Therefore, Simla, which is so much overcrowded by the Departments of the Central Government, should be under the administration of the Central Government. I do not think it is in any way dishonourable for the Punjab Government to be under the Central Government in the town of Simla. They can continue to go to Simla if they so like. There will be no harm in that.

There is another reason for its transfer to the Central Government. Simla is a deficit district. It has got only two small sub-tahsils, consisting of a few villages and both of which are under the Naib Tahsildars. So, if Simla is brought under the Central Government, the Punjab Government should not have any grievance about it. Besides, if Simla is to be expanded, the small plots which surround it can be exchanged with one of the Indian States that surround it. This can only be done by the Central Government and not by the Punjab Government. In order to keep Simla in a good sanitary condition, it is necessary to spend a large sum of money on it. Already a large sum of money has been invested on it by the Central Government and if it is not brought under their administration, then, practically, the whole of this money will be lost to the Central Government. It is not possible for the Government of India to keep away from Simla as the British officers, for nearly a century and a half, have been used to go and live there, it won't be easy for them to change their habits and adapt themselves to new conditions. For these reasons, I would request the Government not to stand in opposition to this transfer. They should try to see which way the public opinion is moving. It is quite possible that certain prejudice might be found among some Members of this House against this proposal as they feel more sympathetic towards the Punjab Government but I can assure them there is no antipathy or prejudice in this Resolution against the administration of the Punjab Government. All that I want is that Simla should be made a central town along with Delhi and both these places should be treated as of great importance and be administered by the Central Government in the interest of efficient administration. Simla has been the summer capital of the Central Government for more than a century and it is necessary that it should be kept in a very good sanitary condition.

Finally, I would just request the Government to allow this motion to be decided by non-official votes only. Let them not take sides. That is my request. It is in the power of the Government to carry this Resolution into effect or not. They may not if they do not approve of it. All the same they should try to find out public opinion in the matter. They should not bring any pressure on their Members in this matter. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim): Resolution moved:

“That this Assembly recommends to the Governor General in Council that he may be pleased to get Simla town transferred from the Punjab Government to the Government of India and constitute it as a centrally administered area.”

Maulana Zafar Ali Khan (East Central Punjab: Muhammadan): Sir, ever since the Congress Party in their superior wisdom decided to boycott this House, I have never felt their absence so much as on this occasion. My Honourable friend, Bhai Parma Nand, is the leading light of the Hindu Mahasabha. Had the Congress Party been here, I am sure, this Resolution of my Honourable friend would have been opposed tooth and nail by Mr. Satyamurti or by Mr. Asaf Ali or by any other Congressman and there would have been no occasion for me to oppose this Resolution.

Bhai Parma Nand: The Honourable Member is simply guessing what the Congress Party would have done had they been present here.

Maulana Zafar Ali Khan: These are days when India wants full independence. We want the Imperial Government to be shorn of all its power and want them to leave everything to us. Is it not an anomaly that Bhai Parma Nand wants the Government to take more power than it already possesses? He wants Simla to become another capital of India.

Bhai Parma Nand: I do not mind Simla being another capital.

Maulana Zafar Ali Khan: My Honourable friend wants to deprive Delhi of the glory it has gathered round itself. When the Government have already made up their mind to call upon the Legislatures to hold their Sessions throughout the year—autumn, summer and winter—here in Delhi, my Honourable friend wants that Simla should become the centre of Imperial activities and that the Punjab Government should give up their connection with Simla. My Honourable friend, Bhai Parma Nand, is a Punjabi of Punjabis; he is a patriot and he wants to deprive his own province of the importance it has in possessing Simla under its administration.

Bhai Parma Nand: I only want it to be made a better town under the Government of India.

Maulana Zafar Ali Khan: The Punjab Government is the only Government which has proved to the whole of India that Hindus and Muslims can live together under one administration peacefully.

Bhai Parma Nand: Question.

Sardar Sant Singh (West Punjab: Sikh): Not at all. Read the proceedings of the Sikh Conference held at Attari in February.

Maulana Zafar Ali Khan: The Sikhs, the Hindus and the Muslims all live together there in amity. There is the Unionist Government in the Punjab which commands the confidence of the whole population of the Punjab.

The Punjab Government have been the trustee of the amenities of Simla for such a long time and there has been no complaint against them except from a handful of men who, for some reason or other, raise their voice against the administration of the Punjab Government. I may point out again that while Gandhiji and other leaders of the Congress Party are calling upon the British Government to give us Dominion Status, I am not one of those who want Dominion Status, I want complete independence. While the Congress Party, I say, are insisting upon Dominion Status and the Viceroy has gone so far as to declare that after the war is over, the question of conceding Dominion Status of the Westminster variety would be considered sympathetically in consultation with Hindus and Muslims if they bring forward any formula which is acceptable to the Government. While the Congress Party is taking this line, my Honourable friend, Bhai Parma Nand is going in the opposite direction. We all want complete independence, while my Honourable friend does not want even Provincial Autonomy. We have got Provincial Autonomy after fighting for such a long time. When we had gained something, my Honourable friend, Bhai Parma Nand says "well, Simla is surrounded by Hill States". Well, what are those Hill States? Tiny little estates about a few miles each in area. The Punjab Government have been their trustees for such a long time and they have had no complaint whatever against them.

Bhai Parma Nand: No, they are not the trustees of all communities.

Maulana Zafar Ali Khan: I am sorry, I cannot congratulate my Honourable friend, Bhai Parma Nand, upon moving this Resolution without any reason or without any argument. His only argument is that Simla is surrounded by Hill States. His only argument is that the Commander-in-Chief is there with his staff. If the Commander-in-Chief and his staff are there, where lies the inconsistency between the Punjab Government being the trustees of the Simla life and the Commander-in-Chief holding his office there. Nothing whatever. Even if he said that the Government of India should have two capitals, one summer capital and another winter capital

Bhai Parma Nand: Exactly, that is my point.

Maulana Zafar Ali Khan: Why not Dehra Dun? Why not vote for Dehra Dun? That is a much better place. There is no necessity to acquire any piece of land for palatial buildings even if Federation is introduced. I am afraid Federation will come by and by. I personally dislike it. I hope it would not come. But the Government have taken one step. It is only the exigencies of the present war that has compelled the British Government to give up Federation for a certain time. But I think these exigencies will go on and the situation would become so critical that there would be no necessity for having Federation at all. If there is no Federation, then alone the question of having another capital, either in Simla or somewhere else will crop up. I think Dehra Dun will be a good place.

Bhai Parma Nand: Why not Dalhousie?

Maulana Zafar Ali Khan: Dalhousie will be still better than Simla. Why not go to Naini Tal, why not go to Almora? As far as Simla is concerned, the Punjab Government have been doing their level best to

[Maulana Zafar Ali Khan.]

improve the amenities of Simla. I submit my Honourable friend has made out no case for depriving the Punjab Government of their administration over Simla. I am sure the Government Benches know their duty. I know their inclination. I know what are the tendencies of the European Group. As far as this side is concerned, except perhaps Bhai Parma Nand and Sardar Sant Singh. . . .

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Why not I?

Maulana Zafar Ali Khan: Yes, including the leading light of Sukkur, I can say three or four persons, excepting these few persons I think an overwhelming majority of Members is against the Resolution and they would oppose it. Sir, I oppose the Resolution.

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, I am sorry that the debate on this Resolution has taken a curious turn.

12 Noon. The issues raised by the Resolution and the points underlying the Resolution are such that they ought to be considered calmly and with a cool mind, without any kind of prejudice in the mind as to whether the Punjab Government is good, or bad or whether the Punjab Government is going to gain or suffer by this Resolution. I do not think the Honourable the Mover had any such idea. He paid all kinds of compliments to the present Punjab Government and said he had nothing to say against them. His points were only from the economic point of view. Some remarks of his may have invited this controversy but I do not think he was properly understood. This is a part of the Resolution which I had myself given notice of and which was more comprehensive. Simla district comprises mainly the town of Simla and a few tahsils which bring in little revenue. Simla town cannot meet the burden of these heavy expenses which are met by the Government of India to keep it in proper shape, as neither the town itself nor the provincial Government can pay for its proper upkeep. The Government of India have invested a sum of nearly 25 crores on this summer capital of theirs and desire the sanitary arrangements and cleanliness to be up-to-date. In these circumstances the whole administration is run by the Municipal Committee with an I. C. S. officer as Chairman who is also the Deputy Commissioner and the practice has been often to send junior officers to fill these posts. Before the advent of Provincial Autonomy all I. C. S. officers were trained in municipal work in the districts. The District Magistrate used to be also the Chairman of the municipality and Joint Magistrates used to be nominated members. So they learnt municipal administration; but as soon as these bodies became autonomous with elected non-official Chairmen these officers have been deprived of the opportunity of learning this work, and, therefore, the Deputy Commissioner who comes now is practically a novice in this work who can only dispose of the files which are put up before him and cannot initiate any development on modern lines. We have seen that excepting small changes here and there Simla now is what it was 30 years ago; and these changes have been due to one man whose name will be always remembered for the great work that he did, *viz.*, Mr. Pratap. In one year's administration he improved the town to a great extent and in all directions and he was the first Indian I. C. S. to be placed in charge of

the town who did great work but did not, unfortunately, live long enough to effect more improvements.

Another disadvantage in the present arrangement is that the officer placed there is subordinate to a particular Government and cannot fight that Government to carry his schemes through without prejudicing his chances of promotion. If the Government of India make a grant of ten lakhs and next time they say that the whole of it should not be spent, he cannot go against them but has to submit calmly to it. Some time ago some money was granted by the Government of India for sanitary and other improvements but they said that it was not to be used and as a result the grant could not be utilised and it lapsed. So the officer works under a great handicap and cannot do his work properly. An officer is placed there whenever it suits the Punjab Government and then shifted to another place where his services may be wanted, so that there is no continuity in the office of Deputy Commissioner at Simla. He may be brought for six months or in a leave vacancy; and these things have stood in the way of improvements being effected. So I suggest that as it is the summer headquarters of the Government of India and also troops are kept there, they should have some kind of administration which may be continued and over which the Government of India may have a certain amount of control. Nobody desires to belittle the authority of the Punjab Government in the least. Let them be entrusted with the work of improvement but the constitution of the Municipal Committee must be on different lines than what exists in smaller towns. One kind of constitution or Municipal Act may be suitable for the backward districts of the Punjab but it will not do in Simla. There are parties there and party faction and even fighting in the elections is going on there, and in spite of the joint electorate system I found that not a single Muslim dared to put in his nomination paper for election to the municipality.

An Honourable Member: Introduce separate electorates.

Sir Muhammad Yamin Khan: I am not saying what you should do, but joint electorates have had this effect. No Muslim dare put in his nomination paper

An Honourable Member: Why?

Sir Muhammad Yamin Khan: because in the past they were never elected. We cannot get on with the feelings prevailing in the Punjab towns on the communal basis. We cannot make Simla a football of their party politics and leave Simla in the hands of people who do not understand their duties but who merely want that a particular *chaprassi* or *duftry* or some others should be appointed in the municipality. That is all their politics

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member has got one minute more.

Sir Muhammad Yamin Khan: To keep Simla away from these communal feuds this ought to be done. I do not want to press this Resolution and I think Bhai Parma Nand will be well advised to withdraw it after making clear what are our real desires. I know the Punjab Government will have some difficulty if Simla is taken out of the province . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

Sir Muhammad Yamin Khan: I will conclude just now

Mr. President (The Honourable Sir Abdur Rahim): The Chair cannot allow any more time.

Captain Sardar Sir Sher Muhammad Khan: Sir, I rise to oppose the Resolution. I am surprised to see that my friend, the Mover, has tabled this Resolution. Either he has not discussed it in the Mahasabha or the Mahasabha did not agree with him, because, economically, and politically, his community will lose if this Resolution is passed. Government has decided that most of the clerks and officers will remain behind in Delhi this year and if we stop the Punjab Government also from going to Simla, that is, by taking away Simla from the Punjab, the business of Simla, which is mostly in the hands of Hindus, will suffer. I am sure if my friend had discussed this question with the Mahasabha, they would not have allowed him at all to move it. Politically, Simla being in the Punjab shares full Provincial Autonomy. If Simla is taken away from the Punjab, then its people will clamour for full representation in this House, as the Delhu people are clamouring now. It is no use going into detail, as my friend Sir Muhammad Yamin Khan, did, and argued and criticised the Simla Municipality by giving certain facts and figures. I advise my Honourable friend, Bhai Parma Nand, to wait till the Swaraj comes, then he may be succeeded to take away Simla from the Punjab Government, and be appointed Chief Commissioner to administer that area.

Sir Abdul Halim Ghuznavi (Dacca cum Mymensingh: Muhammadan Rural): Sir, the Mover has not been able to make out a case and when he was confronted by my Honourable friend, Maulana Zafar Ali Khan, saying that if he had consulted the Hindu Mahasabha he would not have brought this Resolution here.

Bhai Parma Nand: That is not Hindu Mahasabha's business.

Sir Abdul Halim Ghuznavi: Then the Knight of Meerut, my Honourable friend, Sir Muhammad Yamin Khan, took up the cudgels on behalf of the Mover. With a meagre knowledge of the English vocabulary which I possess I have been unable to understand what he was aiming at. Out of his full fifteen minutes speech the only thing I could understand was his condemnation of the poor Deputy Commissioner of Simla. The whole time his grouse was against that poor officer.

Sir Muhammad Yamin Khan: On a point of explanation: I was not condemning the Deputy Commissioner of Simla. I paid a tribute to the late Deputy Commissioner and I said some people could do marvellous work.

Sir Abdul Halim Ghuznavi: I am not referring to the late Deputy Commissioner but to the young present Deputy Commissioner whom he was condemning, saying he has no experience and does not carry out the work of the municipality properly and allowed the Government of India's

contribution to lapse; all these allegations are made against a poor officer who is not present in this House to defend himself. My experience in Bengal about many municipalities, of which I had the honour of being Chairman and Vice-Chairman in my younger days, was that most of the work is done, not by the official Chairman, but by the Vice-Chairman and the commissioners. Where were your municipal commissioners in Simla?

Sir Muhammad Yamin Khan: Mostly nominated!

Sir Abdul Halim Ghuznavi: Have the municipal commissioners discharged their duty and looked after Simla? If they have, what is your grouse? My Honourable friend possesses very large properties in Simla and he is naturally anxious that his income is not reduced; but, equally, he possesses large properties in Delhi and so, why is he so anxious? If the income of one property is reduced, the income of the other property is increased.

Sir Muhammad Yamin Khan: I have got more property in Delhi than in Simla.

Sir Abdul Halim Ghuznavi: Then what is your grouse?

An Honourable Member: The grouse is that he has got property in both places.

Sir Abdul Halim Ghuznavi: The Resolution reads:

"This Assembly recommends to the Governor General in Council that he may be pleased to get Simla town transferred from the Punjab Government to the Government of India and constitute it as a centrally administered area."

May I ask the Honourable the Mover how this will benefit Simla? As my friend, Sir Sher Muhammad Khan, has just said, Simla now has the benefit of Provincial Autonomy, of which she will be deprived if this Resolution is carried. We Members of the Assembly, when we go there, find that the administration is run perfectly—much better than it is done in other provinces. What is your grouse? Sir, I oppose this Resolution.

Mr. M. Ghiasuddin (Punjab: Landholders): Sir, I was surprised to find my friend, Bhai Parma Nand, as the author of this Resolution. It is as if there is a certain property, and in a fit of over-generosity somebody wants to share that property with his neighbours. Anyhow, to my mind it is a question of being over-generous, and not looking after the interests of our own people. In the first place, my friend said that when the Punjab had a Government of its own, I mean the Sikh Government, Simla was not a part of the Punjab. Now, Sir, I may point out to my Honourable friend that the Punjab, under Ranjit Singh, was quite different from the Punjab of today. If my friend's arguments were to hold good, not only would Punjab be deprived of Simla, but it would also be deprived of Ferozepore and Ludhiana and all those places, because the boundary in those days was the river Sutlej, and all parts of the province on the other side of the Sutlej belonged to the British, while portion on the Northern bank of the Sutlej was administered by the Sikh Government.

Sardar Sant Singh: Some time back Delhi was the extreme border of the Punjab.

Mr. M. Ghiasuddin: Although in olden times it may not have formed politically a part of the Punjab, still racially and culturally, people living in Simla are as much Punjabees as anybody else, and so it will be very wrong to cut them off from their kith and kin and join them to a Central Government where they will be connected with Coorg and Ajmer-Merwara and other places, and the Simla people will not be very happy in such a cosmopolitan crowd. As my friend, Captain Sher Muhammad Khan, pointed out, that would be depriving the people of Simla of self-government as well, because I know that the people of Delhi are not very happy either, although this city is known as the Imperial City, because when it comes to a question of services and other privileges, Delhiwallas are neither acknowledged by the Punjabees nor by the United Provinces people. They are disowned by both. . . .

An Honourable Member: The United Provinces have been claiming Delhi for some time now.

Mr. M. Ghiasuddin: So long as Delhi does not become a part of the United Provinces, the people of Delhi will not be very happy, and from the point of view of self-government it will be a step backward, and no Indian who has at his heart the political advancement of the country can bring forward such a Resolution as this because the political progress which Simla has made under a representative Government will be considerably retarded, under a bureaucratic Government.

Sir, my friend cited the case of Professor Ranga. If it is anything, I think it is a point in favour of those who do not want Simla to be separated from the Punjab, because although the Punjab Government had their differences of opinion with the Professor, although they thought that his coming to Simla and addressing the people was not good for the public,—their opinion may be right or wrong,—yet they did not stand in the way of Professor Ranga coming and attending the meetings of the Legislature. So, the rights of the Members of the Central Legislature are as much safe under the Punjab Government as if Simla was under the Central Administration.

Then, Sir, reference has been made to the Punjab Government. If Simla is to be taken away from the Punjab Government, not only will this Legislature, but the Punjab Legislature as well as the Punjab Government will have to be consulted. In that case I could visualise what answer would be given by Punjabees belonging to the community of my friend, Bhai Parma Nand, and who wants that Simla should be taken away from the Punjab? I think people belonging to his community and who are members of the Punjab Legislature will give my Honourable friend an effective answer, because I can say that the non-Muslim Ministers of the Punjab enjoy the confidence of the people of their community as much as any Honourable Member present here.

Bhai Parma Nand: Self-determination. Consult the Simla people and not the Punjab Legislature.

Mr. M. Ghiasuddin: You cannot consult every village, every town and every small mohalla in the interests of self-determination. Then my friend, Bhai Parma Nand, brought forward another argument, that because the Army Headquarters are situated in Simla, the efficiency of the Army Headquarters is likely to suffer if Simla remains under the Punjab Government. Personally, Sir, I don't see any logic in it, because the same thing would apply to Naini Tal, which is the headquarters of the Eastern Command, and if the efficiency of the officers stationed at Simla were to suffer because Simla happens to be under the Punjab Government, the same thing would apply to the Eastern Command whose headquarters are at Naini Tal.

Then, Sir, I was sorry to find my friend, Sir Muhammad Yamin Khan, ranged himself in the opposite camp. . . .

Some Honourable Members: No, no.

Mr. M. Ghiasuddin: He seemed to apprehend that the administration of Simla would suffer because junior men would be put in charge there. I am glad he mentioned a few civil servants who did very well indeed at Simla, and one of them was the late Mr. Pertab and I think he deserved well of everybody, as a great patriotic Indian, and a great administrator. Another ex-Deputy Commissioner whose views the House would like to hear is present in the House, I mean Mr. Mackeown, who is sitting there, and I don't think the present Deputy Commissioner will give a bad account of himself either, as my Honourable friend seems to fear.

Then my friend, Sir Muhammad Yamin Khan, was labouring under a misapprehension when he said that since the advent of Provincial Autonomy, the powers have been taken away from the Deputy Commissioners and Collectors, certain powers they exercised as official Chairmen. That may be the case in the United Provinces, but I may tell my Honourable friend that in the Punjab since 1919 or 1920 we have been having non-official Chairmen, and the Municipal Committees have been working efficiently under them: The Deputy Commissioners have had no chance of municipal administration, because they were deprived of it as far back as the year 1919 or 1920. If this House passes the Resolution I think that it would be socialism, and communism in excelsis; because we happen to have a majority here, we should deprive a certain province of what rightfully belongs to it!

An Honourable Member: Expropriation.

Mr. M. Ghiasuddin: It is expropriation, nothing short of it, unless both the Punjab Government and the Legislature of the Punjab are consulted and of their own free will they agree to cede Simla, which I am sure they will never do because Simla is a part of Punjab and is going to remain so. I oppose the Resolution.

Sardar Sant Singh: I had no intention to take part in this debate today. I am glad that Sir Muhammad Yamin Khan and Mr. Ghiasuddin kept the debate entirely within the merits of the question involved in this Resolution before the House. But the turn which has been given to this debate by my Honourable friend, Maulana Zafar Ali Khan, has been such

[Sardar Sant Singh.]

as to call for some reply on behalf of the Punjab on this point. I quite appreciate the argument of my Honourable friend, Mr. Ghiasuddin, that as Punjabis we should all be jealous of the territory which is within that province and that any attempt to take any bit away from it should be resisted and should not be encouraged. I quite realise the force of the argument which he has advanced, that in this matter it is not only the Central Legislature that should be consulted but also the Punjab Legislature should have its voice. These are arguments which have their force and I assure my Honourable friend that they have got a good deal to be said in their favour when such a question is to be considered. But this Resolution being merely a recommendation to the Governor General in Council, we are aware that the question will be thoroughly thrashed out before it is given effect to. However, I cannot ignore the point that in any country where there are going to be two administrations, one central and the other provincial, the central should have to control certain areas for the purpose of their own convenience. As Simla is a place in which the Central Government is so extensively interested, as has been pointed out by my Honourable friend, Bhai Parma Nand, the question ought to receive due attention of the Government. There is no doubt that at present Delhi and the Centrally Administered Areas do not enjoy that Provincial Autonomy which ought to be conceded to them, but I am sure that in the near future, in any revision of the constitution that takes place, the Centrally Administered Areas will be given a proper place in the new constitution and will have their autonomy, probably some sort of legislature being granted to them which may consist of members elected by the people of the Centrally Administered Areas. At the same time, our demand has been that the exodus to Simla should be stopped, and if the Government of India agree to that demand and stop the exodus to Simla in its entirety, then this Resolution would find no place at all. (Interruption.) I am just saying what the arguments are in favour of and against this Resolution. Therefore, we will have to wait and see what attitude the Government of India adopt in respect of this Resolution.

It will not be quite fair on my part to leave a certain impression uncorrected, which has been created by Maulana Zafar Ali Khan's speech about the Punjab Government. I refuse to be drawn into a controversy on this point, namely, whether the Punjab Government should be condemned in detail for what they have done by their acts of omission and commission, for the simple reason that there is nobody here from the Punjab Government or on their behalf to defend them. But it is not fair for my Honourable friend, Maulana Zafar Ali Khan, or any other person, not to see the beam in his own eyes and see only the mole in the eyes of others. May I ask him, what for the Muslim League has been condemning the Congress administered areas for such a long time that whenever an objection is raised to the defects which are so patent that nobody can dare deny them, that my friend should come forward and give undiluted praise for the administration of the Unionist Party. I only refer to some points so that he may study them and come to a right conclusion.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : On a point of order, Sir. Are the merits of the Unionist Party under consideration now?

Sardar Sant Singh: My Honourable friend, Maulana Zafar Ali Khan, was allowed to praise the Government of the Punjab. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not associate himself in any praise, but he cannot go on condemning any act of the Punjab Government.

Sardar Sant Singh: May I submit for your ruling on the point. . . .

Mr. President (The Honourable Sir Abdur Rahim): The Chair has given its ruling. The Honourable Member cannot condemn the Punjab Government which is not represented here.

Sardar Sant Singh: I want a ruling on this point. If a certain Member of this House praises a Provincial Government and points out that all the communities there, the Hindus, Muhammadans, Sikhs, all communities are quite contented under that administration, am I not entitled to reply that that is not the case?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can say that he is not contented with any Government, that is another matter, but he cannot go on discussing that Government.

Sardar Sant Singh: All right. I will confine myself to that. The allegation made by Maulana Zafar Ali Khan that all the communities are contented with the Unionist Government is undoubtedly wrong.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must not go on criticising or discussing the Government of the Punjab or any other Provincial Government.

Sardar Sant Singh: At any rate, I have to reply to this insinuation which has been made.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can criticise about the administration of Simla which is now under discussion.

Sardar Sant Singh: About this administration, it is not a fact that even the Muslim element represented by the Ahrar Party has any confidence in the administration that is going on.

Some Honourable Members: No, no.

Mr. President (The Honourable Sir Abdur Rahim): Is the Honourable Member discussing the administration of the Government of the Punjab?

Sir Muhammad Yamin Khan: Don't discuss the administration of the Punjab generally, but discuss the Simla administration of the Government of the Punjab.

Sardar Sant Singh: Is not this putting a great handicap on those. . . .

Mr. President (The Honourable Sir Abdur Rahim): Order, order. The Honourable Member must not make any such allegation. He must accept the Chair's ruling.

Sardar Sant Singh: Let people judge for themselves. I leave it where it is. However, the position is, this very Resolution in this House is a clear indication and proof positive that in spite of the jealousy with which we regard the province as a whole, we are prepared to agree that an important part of it should be cut off from the province because of the defects in the administrative policy of the Government of the Punjab. There has been heart-burning all round.

An Honourable Member: Then why don't you include the whole Punjab?

Sardar Sant Singh: I think the day may not be far off when that will have to come if you go on like that. The very fact that this Resolution has been moved and sponsored by no less a person than Bhai Parma Nand who represents a very important interest in the country goes to show that things are not all right and the Government of India should take into consideration this fact as well that things are not moving so smoothly as it is desired that they should. The interests which are represented by Simla are such that broad-mindedness and large vision is necessary for the reason that the Central Government has its headquarters therein. That broad vision and broad-mindedness would be worth much more than a strip of country to be taken away from the Punjab. I support this Resolution.

The Honourable Sir Reginald Maxwell (Home Member): Sir, this question has been dead since 1906 and it is rather difficult to dig it up now and have a look at it. Indeed, in spite of all the illumination which has fallen from the mouths of Honourable Members, I must confess to a considerable difficulty even now in deciphering its lineaments and ascertaining exactly what are the grounds for moving this Resolution. At any rate I hardly expected the deceased to be exhumed at this particular time. In recent years Government have often been challenged to justify their policy in moving to Simla at all and had the Resolution been one for removing the Central Government from Simla, I could have better understood it at this juncture, but as matters stand I am indebted to the Honourable the Mover for providing me with fresh ammunition for defending the annual move. Another reason why I am surprised to find myself dealing with this Resolution in these terms at the moment is that within my recollection, several times in this House, Government have been asked to consider whether the time has not come to extend the principle of representative institutions to Chief Commissioners' Provinces where they already exist and to provide there for institutions similar to those obtaining in Governors' Provinces. And yet now I find that in spite of this apparent attitude which has been shown on former occasions, the Honourable Member's proposal is to tear Simla away from its political mother, the Punjab, and to throw it, tied hand and foot, into the jaws of a rapacious and reactionary Central Government.

Sir, I will make the attitude of Government towards this Resolution clear. We will leave the matter for an expression of the views of the Members of this House. But I must ask the House in doing so to consider it as a practical proposition. The objections are really practical and

not sentimental. When this matter was last investigated and the position has not really changed since—the real obstacle to any measure of this kind was that the Central Government would have to provide the Punjab Government with fresh buildings at some other station. The proposal would involve removing the Punjab Government and setting them up in some other headquarters of their own somewhere else. That is a matter for which the Central Government would have to compensate the Punjab Government in full. It would have to bear the cost of this transfer and when the matter was last looked at the estimated cost was some 24 lakhs, I believe, but I should be very much surprised if it could now be arranged for as low a figure as that.

An Honourable Member: Not less than a crore.

The Honourable Sir Reginald Maxwell: It must be remembered that the Central Government would find itself in possession of all the Punjab Government buildings now existing in Simla and with our reduced arrangements for the move, it would be extremely doubtful whether we should find any real use for all these buildings to acquire which we had to incur such heavy expenditure.

Another practical objection I would like to point out to the House is that Simla is a very small enclave among the Hill States. It only consists of 100 square miles of territory, comprising five small towns and some 263 villages. It is situated 210 miles from Delhi and its administration could, therefore, hardly be combined with that of the Chief Commissioner's province of Delhi. Therefore, the proposal which the Honourable Member advocates would mean setting up some kind of separate administration for that extremely small enclave.

An Honourable Member: Why not have a Chief Commissioner for Simla?

The Honourable Sir Reginald Maxwell: I accept that suggestion. It means, as the House knows, setting up all the overhead expenses of a separate administration for no real need. I want to point out that there is really no need to pursue this proposal. In the first place it would have no appreciable effect on the congestion in Simla. So far as I know the reduction of population due to the removal of the Punjab Government would amount to only about 4,000 out of a total population, I believe, of 60,000 or 70,000. At the same time, from the accommodation point of view, the reduced exodus to Simla for the shortened period of stay there will further reduce the necessity of any such measure. Considerably fewer staff will be coming up from Delhi to Simla every year and the period of their stay there will be probably only 4½ months instead of six months as hitherto; and, at the same time, there will not be, or it is not proposed that there should be, the summer Session of the Central Legislature in Simla and that is one of the chief causes for the temporary congestion of population in Simla. Nor is there any need, again, on the grounds for which the Chief Commissioner's Province of Delhi was set up. Delhi, I must point out, is the capital of the Government of India. Simla is not its capital. It is only a summer headquarters and, therefore, the reasons which applied to Delhi when it was made into a Chief Commissioner's Province do not really apply to Simla.

[Sir Reginald Maxwell.]

Finally, I would ask the House to remember that the future of the exodus to Simla will probably, before very long, be a matter for the decision of another Government. Supposing some future Government which may sit on these Benches decide to remain in Delhi all the year round, our expenditure on the acquisition of all the Punjab Government buildings in Simla and the removal of the Punjab Government from that headquarters would have been wasted. Well, the House will know that at the present time even the constitutional changes which were formerly envisaged have been postponed until after the war. This is not a time, therefore, for entering into any kind of commitment. At a time then when the House and the Government are hard put to it in providing the funds which are necessary owing to the war circumstances with which we find ourselves confronted, to enter into a Commitment involving a very heavy expenditure could, I think, only be regarded as an extravagance. That is all I have to say, Sir, about the Resolution and, as I say, we will leave the House to express their own views. Government will not vote on it but will allow the House a free vote.

Bhai Parma Nand: I am not quite convinced, Sir, of the first part of the reasoning that the Honourable the Home Member has advanced, but as regards the other part of his argument that this is not the proper time, I find it correct and I think I have done my duty in drawing the attention of the Government to this important subject. For the present we may be satisfied with that, therefore, I do not press this for division and ask leave of the House to withdraw my Resolution.

The Resolution was, by leave of the Assembly, withdrawn.

RESOLUTION RE APPOINTMENT OF A COMMITTEE TO FORMULATE A SOUND POLICY FOR DEPRECIATION AND CAPITAL EXPENDITURE IN RESPECT OF THE RAILWAYS.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I beg to move Resolution No. 2 standing in the name of Mr. H. M. Abdullah who has authorised me to move it on his behalf. Sir, I move:

"That this Assembly views with alarm the policy of the Government of India in increasing railway debts by meeting the so-called capital expenditure of unremunerative character by fresh borrowing and recommends to the Governor General in Council to appoint a committee consisting of railway and account experts and non-official Members of the Central Legislature to formulate a sound policy for depreciation and capital expenditure."

Sir, the object of my Resolution is simply to draw the attention of the Government and of the public to the present policy now followed by the Government of India about the capital and depreciation and I simply want to draw attention to the fact that they need serious consideration. This is not a question which can be decided by the vote of the House but my intention in this Resolution is that the Government should pay serious attention to the existing state of affairs and to the arguments which I bring forward during the discussion of this Resolution.

Sir, I should admit from the very outset that our Railway administration in this country is a very economical administration. Compared with other countries, we are running our Railways efficiently and economically.

Out of a hundred rupees which we earn, we spend only Rs. 59 on the administration and keep the remaining forty one for other purposes including the interest charges. The economy, to my mind, has gone rather far and up to a level which I consider to be dangerous, because, in their attempt to economize, they have lowered the scale of pay and they have retrenched the staff to a limit which I think to be dangerous and very unjustifiable. Therefore, the finances of the Railways are exceedingly sound, and if any further economy is desirable, then it ought to be effected by the re-arrangement of the higher finance.

I shall take up today only two points. The first point is the policy of capital expenditure, which I will not enlarge upon very much today as it was discussed on previous occasions. The second is the policy of depreciation. Sir, I would define what is capital expenditure: "capital expenditure is defrayed out of fresh loans on which the interest will have to be paid by future generations till eternity." That is the definition of your capital expenditure, and the rate of interest at present which the Railway Department have to pay is 4.45 per cent., that is one and one-half per cent. higher than the Bank rate of interest,—because they really pay to the Government what the Government pays to the creditor, so Government do not make any profit out of this particular loan but still they have borrowed. In previous years, at a much higher rate of interest and 4.45 per cent. is the average rate of interest. Sir, I want to make three points in connection with the capital expenditure. The first point is that the Railway Department and the Government of India should not borrow any money for the Railways without an explicit permission from the Assembly which should be obtained by a Resolution and should not be included in Demands. Now, this is a point which we pressed on the last occasion and I do not propose to repeat the arguments again today. My second point is that in case fresh loans are spent on the construction of new lines, the estimates should be critically examined and the permission should not be sought to be obtained by giving only a rosy picture. Now, we have got before us several examples. One was quoted by my Honourable friend, the Member for Communications, only the other day in reply to a question. It is the Kangra Valley Railway. We know that the permission for its construction was obtained by giving a rosy picture to the House that it would cost 134 lakhs only and that it would yield an income of six per cent. Now, what happened? The cost rose from 134 to 300 and it is even more expensive in operation than the strategic lines. In the case of the strategic lines we spend Rs. 145.6 for every hundred rupees that we earn, while in the case of the Kangra Valley Project we spend Rs. 316.9, that is, Rs. 317 for every hundred rupees which we earn, so that it is becoming a white elephant to us and I think the Honourable the Member for Communications will say that whatever the mistakes that may have been committed in the past, let us not continue those mistakes in the future and continue the payment of these enormous deficits in connection with this particular thing. Now, the line is proposed to be closed. We have lost these three crores of rupees in perpetuity. In this connection I should like to ask what has the Railway Department been doing? They have got a Director of Railway Audit, a Director of Finance, a Director of Accounts, a Financial Commissioner. Were they absolutely incompetent to tell us

The Honourable Sir Andrew Olow (Member for Railways and Communications): Order, order. The Honourable Member is not justified in making a reflection on any Honourable Member of this House.

Dr. Sir Ziauddin Ahmad: I am not making any reflection on anyone in person, but I am examining the system.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member was saying that such and such officers were incompetent.

Dr. Sir Ziauddin Ahmad: That is not what I meant.

The Honourable Sir Andrew Olow: I understood that the Honourable Member said that the Financial Commissioner was absolutely incompetent?

Dr. Sir Ziauddin Ahmad: No, I did not say that. I said that we have got four very competent officers in the Railway Department and they ought to have judged for themselves that there would be a mistake of three hundred per cent. in the estimates—that is all. Whatever conclusion you may draw, I do not say anything about it. I have got my own definition of audit—perhaps my friend may not agree—my definition of audit is that audit is an arithmetical scrutiny of rules without using common sense. Unless I coin a definition of this kind, I cannot possibly explain the whole state of affairs about Kangra Vally, Kalyan Power House, chord line, etc. The third point which I would like to make out is that you should not spend more money on open line works by borrowing. Carry on the necessary repairs and go ahead with renewals and replacements from the current revenue under that head. The railways at present are, no doubt, over-capitalised and this is a point to which I will come later. Now I come to Depreciation Fund and tell its brief history.

We know that when we first began our railways about the year 1854 or 1855, the depreciation fund was there and most business concerns also had the depreciation fund. Then, what we discovered was that these companies began to put in very large sums under the head of the depreciation fund and showed smaller profits by setting aside larger sums under this head. In those days a minimum profit of five per cent. was guaranteed, and, therefore, they were not concerned in showing larger profits. The Government of India realised it and they abolished this depreciation fund altogether in 1875 because they thought that it was working against their interests. Now, when we were celebrating the 50th anniversary of the abolition of this fund, we found that just at that time it was established again. Later on, this question was examined by the Dickinson Committee and they made certain recommendations about this depreciation fund. They said that the sums which should be set aside should be based upon the estimated life of the property and the original cost less the estimated value which is to be recovered. They further said that when renewals and replacements take place, the original cost should be charged to the depreciation fund and the balance, below or above the original cost, should be debited or credit to the renewals account in the appropriate extract to be included under the main head of depreciation. In 1935, a new change was brought about when they adopted a new basis and they said that the depreciation will be one-sixtieth of the capital at charge. When this change was made in 1935, I made a protest that this was a wrong method of calculation. I said that this method gave them an amount which is abnormally higher than they really require. After celebrating the 50th anniversary of the abolition of the depreciation fund, they have since put under this head 212.5 crores, out of which 120.5

crores were spent on renewals and replacements and they kept in reserve 68.05 crores. Out of this amount they have drawn another sum of 30.38 crores without any interest for purposes which are really the functions of an equalization fund. So, we have got still in reserve under this head of depreciation fund a sum of 37.07 crores. I have got the figures of the last 16 years before me, and taking the average I find that we have been spending about 8½ crores during the last 16 years from the depreciation fund on renewals and replacements. I ask, why put all the sum in one Bank and then withdraw it?

Before I develop my argument further, I would like to quote an illustration, which will be discussed with full vigour when the Excess Profits Tax Bill comes before the House. At present I am giving that example merely to explain the point of depreciation and the capital expenditure which I have in my mind. Suppose a person purchases a pair of shoes for Rs. 11. Afterwards, he had it re-soled and perhaps the upper half had also to be replaced on one or two occasions, each time spending Rs. 2/8 on it. At the end of that period, the book value of that pair of shoes came to Rs. 21. Now, the assessed value of that particular pair of shoes made by an experienced accountant was Rs. 6 only. The question arises whether we should charge the depreciation on Rs. 21 or on Rs. 6? Sir Homi Mody, representing business, says: "Give him an allowance of depreciation on Rs. 21, because, after all, he has spent on that pair of shoes Rs. 11 plus Rs. 10, Rs. 21 in all." Mr. Chambers representing Income-tax says: "No, you can only deduct the depreciation on the present value of the pair of shoes, that is, Rs. 6, and not the entire amount spent on it." We will have a full debate on this point and I would like to know what the attitude of the Communications Department would be on that particular issue. I know Government would say that the depreciation should be allowed on Rs. 6 and not on Rs. 21. This is just the point which the Income-tax department will fight on the floor of this House in connection with the Excess Profits Tax Bill, and I as tax payer want to fight with the Railway Member on the floor of the House, today, by saying that he had no business to put a certain amount of money in the depreciation fund which he has added in the same way as the businessman added to the price of his pair of shoes in the illustration that I have just given. I would like to ask some business men about this. I may inform the House that my definition of a business man is also a peculiar one. A pacca businessman is a person who knows how to cheat the shareholders, rob the consumers and evade the income-tax officers.

An Honourable Member: And what are you?

Dr. Sir Ziauddin Ahmad: A poor consumer who is robbed right and left by everybody. I am least cared for. Now, they say that the depreciation should be charged on one-sixtieth of the capital at charge. Will you charge a depreciation on the premium which you paid to the companies at the time you purchased these railways? We all know that the premium that was paid over and above the real price when these railways were purchased in 1879 was about 45.18 crores according to the present rate of exchange and 50.85 according to the then rate of exchange. Why depreciation on this amount? May I ask my Honourable friends in the European Group, who are opposed to my views, the reasons for putting 1/60 of this sum of 50.85 crores under depreciation?

[Dr. Sir Ziauddin Ahmad.]

Now, further, Railways lost in exchange a sum amounting to 8.41 crores. Are you going to pay depreciation on this loss of exchange also which is put under capital at charge? I think the depreciation is necessary for building and not as the losses which we have incurred either on account of the exchange or on account of higher premium. What is the opinion of accountants and businessmen?

Coming to other capital expenditure, we know that we have spent 113 crores from 1925 to 1931—I have not taken up the figures for the last nine years—on open line works. On open line works, there is no fresh revenue. If you are going to pay interest on 113 crores also, then it really means that according to the example which I have quoted, you are demanding depreciation on Rs. 21 basis and not on the assessed value that is Rs. 6. Therefore, if you go on adding to your capital the amount which we spend on open line works and then, afterwards, demand depreciation on that particular thing, I think it is certainly wrong. What is necessary is to follow the practice of the income-tax office, follow the practice which the Honourable the Finance Member is following everywhere else. Take the present value of the assets. You can charge depreciation on that asset. The question will then arise how to determine the present value of the asset. My reply is a simple one. Follow the practice of every other country in the world. Do not set aside a big sum for depreciation fund. Abolish it altogether. I have got before me the administration reports of most of the countries of the world and I can give them to my Honourable friend, the Financial Commissioner, as Easter presents filled in an Easter egg. First is the administration report of Switzerland which is supposed to have the best managed State railway. Then there is the report of the German Railways where my Honourable friend will find that any decision of the Government about increase in rates and fares can be appealed on merits to the Federal Chief Justice, Sir Maurice Gwyer, and he can listen to appeals against the Government on the rise in rates and fares. Then, there is the administration report of French Railways. There he will find that whenever the question of rise in rates and fares arises, it is always sent to the superior council of Railways consisting of sixty members. Their decision is always taken into consideration before any attempt is made to raise the rates.

Then, I have the administration report of the Canadian National system of railways in which you will probably find that the rates and fares should be determined by commercial interests commission. There is the report of South Africa where there is a definite rule that you have to charge only so much as you require. You are not expected to make any profit from crimation.

Mr President (The Honourable Sir Abdur Rahim): The Honourable Member can resume his speech after Lunch.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

Dr. Sir Ziauddin Ahmad: Sir, before we rose for Lunch, I was saying that the method of calculating the depreciation fund in our railways is against the practice of every other country in the world, and I was going to present to my Honourable friend, Mr. Staig, an Easter present wrapped up in an Easter egg in the Administration Reports of Railways in various countries, and I was also drawing attention to some aspects of these reports which might help us in future. I was discussing the South African administration Report where they have got a very salutary practice of charging as much rates and fares as the expenses would justify, and not to make any money out of transport. Then in the Administration Report of Australia I find a salutary system about the system of appeals. It is not attended to by any railway officer but it is referred to a panel consisting of five representatives of the railwaymen, five representatives of the employees and a police magistrate. The system of depreciation we are following is a peculiar one and does not exist in any other country. They have no depreciation fund. They debit the general working expenses with an equivalent of their requirements every year and they also debit a certain amount for the improvement of general conditions if the funds permit. So they have not fallen into the conundrum into which we have fallen, *i.e.*, putting 1/60th of the capital at charge. If we are going to be different from other countries, why not go forward instead of backward. We have already taken the lead in breaking the traditions of other countries. Take the maximum and the minimum salaries. The maximum in other countries is not more than a hundred times the minimum but here it is five hundred times. This kind of innovation can only be advocated by persons who call themselves businessmen defined already.

There is another point to which I will refer. We have not been supplied this year with a separate account of the strategic lines. The only thing that is given to us appears on page 7 of the budget which deals with railway revenue and expenditure. I cannot find any explanation for one item there, and that is, why is interest charged on the amount of loss in working met from the depreciation reserve fund on commercial lines. It really means that you are debiting the General Revenues by this amount which really is not justifiable. You should have taken from the General Revenues this amount. We have shared your losses in the past and you want us to pay interest on the money drawn from a common pool. You say you borrowed some money from the depreciation fund, then the depreciation fund also had a share of strategic lines as well. For several hours I tried to understand this without success. So I hope the Financial Commissioner will explain this point and it will then be for the Public Accounts Committee to consider whether it is desirable or not and whether this amount of 67 lakhs and 89 thousand debited under this head cannot be brought back to the general revenues.

To summarise, I really want a greater scrutiny of the capital expenditure than the scrutiny that we have exercised in the past and which has not proved to be effective. In spite of the high opinion that I hold about the experts on the Railway Board I must say that they have been very extravagant in their capital programme. We must, therefore, have greater scrutiny and we must have a separate Resolution authorising them to have

[Dr. Sir Ziauddin Ahmad.]

loans from the Government of India. Secondly, the basis of calculation of the depreciation fund is not correct. You have no authority to put large sums of money into the depreciation reserve fund and in that way cheat the general revenues in the same way as businessmen are cheating the income-tax department by showing fictitious losses and deficits. I think this system of depreciation fund requires very serious consideration.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member's time is up.

Dr. Sir Ziauddin Ahmad: I move this Resolution in order to draw public attention to these two important defects. This is a thing which cannot be decided by the vote of this House and I ask Government to seriously consider the points raised.

Mr. President (The Honourable Sir Abdur Rahim): Resolution moved:

"That this Assembly views with alarm the policy of the Government of India in increasing railway debts by meeting the so-called capital expenditure of unremunerative character by fresh borrowing and recommends to the Governor General in Council to appoint a committee consisting of railway and account experts and non-official Members of the Central Legislature to formulate a sound policy for depreciation and capital expenditure."

Mr. T. Chapman-Mortimer (Bengal: European): Sir, I move:

"That for all the words occurring after the word 'views' the following be substituted:

'with some apprehension the effect upon Railway finances of contributions to the Centre on the present scale and recommends that, in view of the recent amendment by Parliament to the Distribution of Revenue Order in Council 1936, the Government of India take early steps to re-examine the resolution regarding separation of Railway from general finances adopted by the Legislative Assembly on the 20th September 1934, and to place before the Assembly such amendments to that resolution as are necessary to ensure a more equitable allocation of the sums available after the payment of interest on the capital-at-charge.'

Mr. President (The Honourable Sir Abdur Rahim): What is your point of order?

Dr. Sir Ziauddin Ahmad: It is this that this amendment is practically a Resolution, complete by itself and it has no reference to my Resolution. If such a practice is adopted, then every Member whose Resolution is not balloted can move it as an amendment to any Resolution which is moved. My Resolution is to consider the policy of depreciation fund and capital, that is, the manner of calculation; while my friend, by his amendment, raises the issue of revising the Convention of 1924—the Convention separating Railway Finance from General Finance. He could have tabled a Resolution entirely independently: it certainly is not relevant to my Resolution—the issues are entirely different.

Mr. T. Chapman-Mortimer: I submit, Sir, that our amendment is in order on the ground that it is impossible really to consider the important questions which my Honourable friend desires to have examined unless some such amendment as ours is moved.

Mr. President (The Honourable Sir Abdur Rahim): Your amendment relates to a different subject altogether?

Mr. T. Chapman-Mortimer: No, Sir. Our amendment relates precisely to the same subject as his own. The question of railway finance is bound up with the Depreciation Fund.

Dr. Sir Ziauddin Ahmad: I never raised the whole question of railway finance.

Mr. President (The Honourable Sir Abdur Rahim): The Chair holds that the amendment which is sought to be moved by Mr. Chapman-Mortimer is not in order. It is not relevant to the motion that has been moved, nor is it within the scope of that motion as laid down in Standing Order 33 (1). The Resolution seeks to discuss the policy of the Government with respect to their borrowings for the purpose of capital expenditure and their policy in respect to Depreciation Fund, while the amendment seeks to raise the question of the Resolution by which the finances of the railways were separated from the general finances, and the Chair finds it very difficult to see what relevance it has to the Resolution that has been moved. It is true, as has been stated by Mr. Chapman-Mortimer, that he seeks by his amendment to raise the general question of the railway finances, but that is not relevant to the motion that has been moved and which is confined to the question of borrowing for capital expenditure and the policy regarding the Depreciation Fund. The Chair, therefore, rules that the amendment is out of order.

The House will now discuss the Resolution as it has been moved.

Mr. B. M. Stalg (Financial Commissioner: Railways): Sir, before I come to the main issues raised by the Honourable the Mover, I should like to mention one or two subsidiary points to which he alluded. He desired that the budgetary proposals for capital expenditure should be presented to the House in the form of a Resolution. In regard to this proposal, it is perhaps only necessary for me to remind the House that the proposals for capital expenditure are put before them in a separate demand in the budget and this is open to the criticism of the House in the ordinary way. My Honourable friend also expressed a wish that we should not wear too rosy coloured spectacles when examining new capital projects and he, particularly, alluded to the Kangra Valley Railway. I may say that we approach the examination of new projects in as critical an attitude as the Honourable Member could desire. We find ourselves frequently criticised for so doing—witness the pressure that has been applied to us to take in hand the construction of the Sind-Guzerat Railway project. My Honourable friend also cast some reflections on the adequacy of the part played by the Audit Department in the examination of schemes

Dr. Sir Ziauddin Ahmad: On a point of order: I did not cast any reflection. I only gave my definition of audit, for which I alone am responsible.

Mr. B. M. Stalg: The Honourable Member seemed to me to entertain the belief that it was part of the duty of the Audit Department to examine new schemes. It is not any part of the duty of that department to consider new schemes before they are sanctioned. That is the function of the executive, in consultation with their financial advisers. My Honourable friend also drew some comparison between our policy in regard to capital expenditure and charges to Depreciation Fund on the one hand and the initial

[Mr. B. M. Staig.]

purchase and subsequent repairs of a pair of boots on the other. I would like him to study our rules regarding the allocation of expenditure between capital, depreciation fund and revenue. He will find them in chapter IX of our State Railways General Code. It will then be clear to him that in no circumstances would the patches put on a pair of boots or even the cost of new laces be charged either to capital or to the depreciation fund. These would be treated as repairs or minor additions and would be chargeable to revenue.

I shall now proceed to deal with the main issues raised by my Honourable friend. In the course of the debate on the cut motion of my Honourable friend from the European Group, the other day, regarding the control of capital expenditure, I explained what steps Government have taken and were taking to check over-capitalisation. I also described the machinery of financial control including the delegation of financial powers to railway administrations and the nature of the instructions issued by us in this regard. It would be an improper encroachment on the time of the House if I were to cover the same ground this afternoon. There are, however, one or two points that have since been raised to which I may appropriately allude in regard to this question of over-capitalisation and unremunerative expenditure. First, regarding the latter. It is sometimes extremely difficult to distinguish between what is remunerative and what is unremunerative. Many schemes for new expenditure, including open line works, show an adequate percentage return on the capital either by way of additional revenue or by the saving of expenditure already being incurred. I read to the House the other day the instructions already issued about schemes of this nature as to the criteria that should be applied in examining them. There are other schemes which, however, cannot be shown to be directly remunerative but which may be urgently desirable in the interest of the travelling public or the railway administration or its employees. The first of these is the provision of amenities for passengers; in respect of these, we show in a separate statement in the memorandum explanatory of the budget each year what we have included under various categories. These possibly unremunerative schemes also include housing for staff. In many projects under this head we do not recover in the way of rent what a private landlord would regard as an adequate return on his outlay. There are also other facilities or amenities for staff which we feel it incumbent on us as good employers to provide within reason—*e.g.*, hospitals and dispensaries and educational facilities, particularly in railway colonies. There are still other cases in which in the interest of the community as a whole it is undesirable for railways to refrain from meeting our share of schemes undertaken to promote the general welfare; for example, a local body embarks on a large sanitation scheme, and because there is a large railway population within the area concerned, asks us to participate. If we refuse, the value of the scheme to all affected may be greatly impaired. It is difficult to assess the return on the expenditure of the nature I have described, in terms of rupees. All that we have hitherto been able to do by way of avoiding any over-capitalisation that might result from it is to charge minor improvements and additions to revenue, and in this regard the House has already been told that we have now decided to raise the limit chargeable to revenue from Rs. 2,000 to Rs. 10,000.

Sir, from certain supplementary questions yesterday in connection with the Kangra Valley Railway, I gathered that there was some doubt on the part of at least one Honourable Member as to what the accounting pro-

cedure was in regard to assets that we might decide to abandon. These were not, I believe, written off prior to 1924, but since the introduction of the convention in that year, on State-managed Railways, it has been the rule to write down capital in respect of such assets by charge to the depreciation fund or to revenue.

I now turn, Sir, to the Depreciation Fund. The Honourable the Mover gave us a very interesting account of its history. I shall allude to one or two points in this history which are particularly relevant to his general contention that the balance of the fund now is more than is required and that our contributions to it are on too generous a scale. As Honourable Members are aware, the balance in the fund at the end of this financial year is expected to stand at 30½ crores, excluding the debt to the fund due by railway revenues of practically the same amount which was advanced from the fund to meet deficits in railway working between 1931-32 and 1935-36. The first point of some importance to be noted is that when the fund was instituted in 1924 no provision was made for arrears of depreciation which had accrued prior to that date. The convention of 1924 contemplated that the railway reserve fund should undertake this liability, if necessary. As the House learnt from the Honourable the Communications Member's budget speech, that reserve, which at one stage accumulated a balance of over 18 crores, has now been depleted to the insignificant sum of ½ a crore. We cannot, therefore, rely at present on the Reserve Fund to bear any liability that it was expected to bear by the framers of the convention of 1924 in respect of depreciation accrued before that date.

Moreover, Sir, it was contemplated in 1924 that the Depreciation Fund would bear only the charge involved in replacing assets at their original cost. The House will remember that two days ago in the debate on the control of capital expenditure, I alluded to a change in the rules approved in 1936 and introduced with effect from the 1st April, 1937, by which the *whole* cost of replacing an asset by a similar asset was thrown on to the Depreciation Fund, as a measure to check over-capitalisation. I explained that if the replacement of an asset costing originally Rs. 10,000 involved expenditure of Rs. 15,000, the whole Rs. 15,000 would now be charged to the Fund, and not only the Rs. 10,000 it was intended that the fund should bear when it was originally created. I stated that if this measure to avoid over-capitalisation had been introduced in 1924, the capital now at charge of Railways would have been 20 crores less. From the point of view of our present debate, the balance in the depreciation fund would also have been 20 crores less, as the fund would have been debited instead of capital. The Railway Inquiry Committee of 1937 drew special attention to this increased burden on the fund, and while approving as prudent the change in allocation decided upon in 1936, pointed out that it constituted a sound reason for making no arbitrary reduction in the rate of contribution to the Fund. Taking the view that the accounting change then made was undoubtedly sound, it might be held by a financial purist that at that time we should have written down capital to the extent of 20 crores by debit to the depreciation fund, in which case the credit balance in the latter would be now only about ten crores. Certain other changes in allocation as between ordinary revenue expenditure and the Depreciation Fund were made in 1936 in the interest of sound finance and with the approval of the Standing Finance Committee and the Public Accounts Committee. I need not detail them but together with the particular change I have just alluded to, their estimated effect was to increase the burden on the fund by about 1½ crores per annum.

[Mr. B. M. Staig.]

A change was made in 1935 also in the method of calculating the annual contribution to the Fund. It had hitherto been arrived at on the basis of the assumed normal lives of each class of assets, as determined by an enquiry held prior to the creation of the Fund. The basis was changed in 1935 to a flat rate contribution of 1/60th of the capital at charge. This was done as a measure of expediency to facilitate calculation and to give a close approximation to the result up to then obtained. Actually, however, the modification resulted in a reduction of the annual contribution by about Rs. $\frac{1}{2}$ crore, and not in an increase as the Honourable Member seemed to think.

I have already said, Sir, that the Fund takes no account of depreciation accrued prior to 1924 and it has to be readily admitted therefore that if the fund is to be regarded as a measure of the accrued depreciation of all our assets, the present balance is quite inadequate. If it had not been depleted by borrowing to meet deficits and its balance stood at over 60 crores, it would still be inadequate when viewed from that aspect. If, however, we take the more practical point of view and regard the fund as a renewal fund, Government cannot agree that the fund is unduly large, even though there has been in the past a substantial margin between contributions to it and withdrawals. The Railway Inquiry Committee of 1937 pointed out in the light of those aspects of the history of the fund to which I have alluded, that the fund was necessarily immature and that it is an inevitable characteristic of such a fund that the contributions for many years must exceed the outgoings if the fund is to ultimately establish itself as sound. The balance in the fund was then about 14 crores. The Committee concluded that a normal balance of Rs. 30 crores would not be excessive. It may therefore be asked why, now that we estimate to secure this by the end of this year, we are not content to stop there. There are two arguments which suggest themselves in reply. In the first place, the Committee contemplated another general reserve of 50 crores and also a provision for amortisation of debt. As to the former, we have half a crore only and for the latter it has hitherto been impracticable to make any provision at all. Until the position in these respects, therefore, is on a much sounder basis, it would be highly imprudent to reduce the contribution to the one substantial reserve fund we have. In the second place, Sir, conditions as we see them in regard to probable withdrawals in the years immediately ahead from this fund are not normal. We added substantially to our assets in the years 1924-29, and the full effect of these additions to the capital at charge on the depreciation fund has not yet been felt. Further, in the years of depression from 1930-31 followed by the modest revival in traffic of 1936-37 and 1937-38, rolling stock purchases were severely curtailed, every effort being made to meet any improvement in traffic by the more extensive use of existing stock. Our replacement charges on this account must (if in the conditions that obtain, we can secure new stock to the extent required) be inevitably heavy. This is especially true in regard to locomotives where purchases in recent years have been reduced to a minimum, and the steady demand for which, as now estimated, is an important feature in the case for the establishment of their manufacture in this country. Further, we have recently had before us the views of the Pacific Locomotive Committee in regard to track renewals. After examining the track renewal programmes of various railways over the last ten years, they said that there had evidently been a general falling off in the number of miles of track and track components renewed, that in recent years, administrations had generally hesitated to propose renewals unless compelled to

do by considerations of safety and that there had been in consequence a tendency to prolong the life of material and to wait for easier conditions which, unfortunately, did not seem to be materialising. Government accept this view and we must in consequence anticipate heavier charges on the depreciation fund. There is one other important general consideration which must affect expenditure against the fund in the near future, namely, the substantial rise in the prices of materials. This is so well-known as to require no elaboration; its effect on the revenue budget in the coming year is Rs. 92 lakhs.

I have now, Sir, stated the reasons which seem to me to justify the conclusion that any reduction in our contribution to the fund would be highly imprudent. I am respectfully unable to agree with the Honourable the Mover's view that the present arrangement in regard to the depreciation fund is unfair either to the taxpayer, because it reduces the contribution to the general revenues or to the railway administrations and their employees, because according to the Honourable the Mover it reacts on the operating ratio, and by increasing it unduly, tends to lead to retrenchment and so hardship. Any basis of contribution to the depreciation fund that is accepted as wise and prudent from the point of view of railway finance is equally wise and prudent from the point of view of the owners of the railway, the taxpayer and the railway employee. The Honourable Member has on one occasion gone so far as to suggest the abolition of the fund and the allocation from revenue each year of the sum required for renewals and replacements. It is common knowledge that one of the primary objects of the depreciation fund is to spread the burden of renewals and replacements equally over a series of years. Any great variation in the cost of these from year to year—and without the fund great variations would be inevitable—would be equally embarrassing to the general and railway finances and through them to the taxpayer or the railway user. Moreover, without the fund, in a year of financial stringency or in a succession of bad years there may be an undue tendency to reduce expenditure on renewals and replacements to the very grave detriment of railways. Great weight was, I believe, attached to this consideration by those who framed the convention of 1924. Further, the history of railway finance within the last ten years in which the depreciation fund has had to be drawn upon to meet deficits in working, is in itself a most adequate refutation of such a proposal. That experience cannot be ignored. For these reasons I feel that our present practice is sound and that it is unnecessary to appoint a committee to examine the question of capital and depreciation fund expenditure and I, therefore, oppose the Resolution.

Mr. Muhammad Nauman (Patna and Chota Nagpur *cum* Orissa: Muhammadan Rural): I must confess at the outset that the subject is so complicated and so technical that it is really difficult to make any contribution to the discussion. I just want to impress upon the House that because it is so, it is no reason why the Government should refuse to appoint a committee whose report would probably make the situation clearer even to any taxpayer of average intellect or at least their representatives in this House and elsewhere. The simple purpose of the Resolution is that the method of accounting in the railways has been more or less a very complicated system to many of us and we are certainly anxious to understand the real difficulty of the matter and appreciate the great

[Mr. Muhammad Nauman.]

vigilance or the great merit of the people in charge of the finances of the railways, if we are so convinced. You can very well imagine that unless things are explained very clearly to us or to anybody else we cannot even appreciate the real difficulty, if any, or the real work which the Financial Commissioner has been doing. I understood him well when he spoke regarding the purchase policy in respect of rolling stocks. I appreciate the fact that it has been restricted and that more use has been found for the present stock each year. That is something which we certainly welcome, but regarding the policy of piling up the depreciation fund I must confess my inability, my own ignorance in understanding the method of accounting which is only adopted in Indian Railways and in the accounts of no other Railway in the world. With regard to the same. I may be wrong, I may not have as much intelligence, unfortunately, as the Financial Commissioner has.

Sir Abdul Halim Ghuznavi (Dacca cum Mymensingh: Muhammadan Rural): Still you are talking.

Mr. Muhammad Nauman: It is the duty of the Government to make us understand the things, and probably my Honourable friend, Sir Abdul Halim Ghuznavi, is as ignorant as anybody else in this House so far as this depreciation is concerned as he probably learnt mathematics nowhere. In the ordinary system of accounting in companies and other organisations regarding depreciation, what we understand is this. Supposing a company has purchased a car worth Rs. 5,000 the depreciation in the first year is placed on 5,000 and if repairs are made in any subsequent year, no depreciation is charged after adding amounts of repairs as the expenses on repairs is debited to the repairs account as expense of usual nature. From the example which the Honourable the Mover, Sir Ziauddin, gave, who is a veteran mathematician in this country, I understand he said that the method of accounting is different, it is like this. Supposing a certain stock was purchased for Rs. 1,000 and another Rs. 200 and Rs. 300 was spent on it by way of repairs, the depreciation is charged on the entire amount adding the original value and repairs that is on Rs. 1,500 and no consideration is paid to the present valuation of the particular stock in estimating the depreciation. He described this by introducing the example of a pair of shoes which was originally purchased for Rs. 11 and was valued by owners at Rs. 25 because Rs. 14 was spent on repairs within ten years and depreciation was charged basing the calculation on Rs. 25 instead of Rs. 11.

Sir Abdul Halim Ghuznavi: That has been completely answered.

Mr. Muhammad Nauman: That is what I wanted to know, what method was followed, and whether the usual practice followed in other concerns was followed or whether a novel practice was being pursued in the Railway Department, or a particular kind of accountancy was being followed.

As regards the borrowing policy I would not say anything. I am sorry I was not in the House when the Financial Commissioner was replying on that part of the subject. I do not want to dilate on it, but I must say that we are paying about $4\frac{1}{2}$ per cent., which is $1\frac{1}{2}$ per cent. over the bank

rate. I do not know whether avenues have been explored for conversion of this by floating the loans at a lesser value in order to reduce the rate of interest or have enquiries been made to ascertain reduction by some such other method as would be convenient in acquaintance? For these reasons the Honourable the Mover has made his suggestion that a committee should be appointed which will go into all the details and simplify the whole thing and advise the Government and the Honourable Members so that we may appreciate the work of the Railway Board if they are doing the best for us, and they will be able to convince us from the report of that committee that they are doing all in the interests of the railways and the tax-payers, who are the share-holders. With these few remarks, only on the principle of appointing a committee I support the Resolution of my Honourable friend, Dr. Sir Ziauddin Ahmad.

Mr. Umar Aly Shah (North Madras: Muhammadan): I rise to support this Resolution. I have no doubt that a Committee should be appointed to enquire into the railway accounts and other things.

Sir, the Railways have been rightly regarded as a national asset. Some Rs. 800 crores of foreign money have been invested in it. The Railway Department forms the greater portion of our total national debt. So far no effort has been made to provide for the funding and the gradual elimination of this foreign debt by means of rupee loans floated in this country. Interest charges are there to be paid every year. On the other hand, capital expenditure is being incurred each year out of further borrowings, usually abroad. There is no proper management both of the capital expenditure position of the Railways and their annual earnings. This sort of lopsided system cannot continue for ever. The Government are saying that these railways have been provided for the sake of the country, for the sake of business and for the sake of so many other things, but I do not understand what kind of help has been given by the railways. There is unemployment and so many other evils going on but railways did not do any possible help for the country or business or so many other things. The Government have borrowed several hundreds of crores and they have been collecting hundreds of crores as revenue every year. During the last seventy years income has been coming in and Government have been trying to introduce so many new lines, engines, factories and wagons and so many other things. About these, several discussions and questions have been going on for a very long time but I do not want to discuss them. The other day the European Group has dealt with this subject with so many facts and figures. My point is that gold can be converted into iron but iron cannot be converted into gold. Then there is another thing. There is no proper budgeting for railways. These railway people have been asking for supplementary grants for so many things and the depreciation fund has been newly introduced in India. There is no such thing in England or anywhere in the world and I do not understand why it is introduced into India. There is of this fund a sum of Rs. 66 crores and 25 lakhs of which an amount of Rs. 35 crores are in liquid resources. Well this money is lying as dead capital. The Honourable Member said that this is going on as a moratorium. Why should this moratorium be in existence alongside of the Depreciation Fund? If in the ultimate analysis this Depreciation Fund has been arrived at out of the normal surpluses of railway revenue derived in the normal manner, I would not find difficulty in tolerating its existence while railways were

[Mr. Umar Aly Shah.]

unable to pay their normal contributions to general revenues under the 1924 Separation Convention, the Depreciation Fund is being operated on in more than one duration. Why does not the Communications Member do a real service to the country by reducing the top-heavy administrative expenditure which has become notorious in this country and utilise its savings for very beneficent purposes. He can also do something to help the position of the smaller employees. But why should the country be asked to agree to increased rates and fares and keep quiet when Sir Andrew Clow wants to fritter away its yield on his depreciation fund, etc. This is the kind of reply from the Government. I say that there are loopholes. When Federation comes, there will be the Statutory Railway Authority and our facilities for discussion will be reduced. This sort of question should now be decided for the sake of the businessmen. This sort of agitation has been going on for a long time and I want a committee to be appointed to go into this. I support this motion.

Mr. T. Chapman-Mortimer: My Honourable friend, the Mover of this motion, has made a charge against the Government of India that in increasing railway debts by meeting the so-called capital expenditure of unremunerative character by fresh borrowing they have been doing something which is very wrong and improper. He further suggests that a committee should be set up to go into the whole matter. Well, after what the Honourable Member, the Financial Commissioner for Railways has said, I think it must be clear to all Members of this House that no question in fact arises such as has been alleged to arise by my Honourable friend, the Mover of this motion. It is perfectly clear from what Mr. Staig has said that the railways are in fact pursuing a policy of conserving their resources and not dissipating them and piling up more debts as my Honourable friend, the Doctor, suggests. In regard to his proposal that we should set up a committee to examine this whole matter, he is seeking there to do something through this House, or a committee partially representative of this House, which is properly the function of the executive and I for one and also the Members of this Group would strongly oppose any proposal to take away from the executive a responsibility that is properly theirs. Therefore, I oppose the motion.

Sir Abdul Halim Ghaznavi: Mr. President, I do not want to talk on a subject which I do not understand as my Honourable friend, Mr. Nauman, has talked and taken 15 minutes of our time. He confessed that he did not understand it. It was a technical subject and it is difficult to understand but still he went on talking for 15 minutes on a subject which had nothing to do with this Resolution.

Mr. Muhammad Nauman: I made the confession that I did not understand.

Sir Abdul Halim Ghaznavi: I am talking on a subject which I understand. Now, what does this Resolution want? It says: "This Assembly views with alarm the policy of the Government of India in increasing railway debts by meeting the so-called capital expenditure of unremunerative character by fresh borrowing" and so on. Now, I question this. It is not a fact.

Mr. Muhammad Nauman: What is the harm?

Sir Abdul Halim Ghuznavi: Mr. President, you have several times taken me to task for not addressing the Chair and addressing other Members. I therefore, refrain from addressing my Honourable friend to whom I could have given a complete reply.

Mr. President (The Honourable Sir Abdur Rahim): That is no excuse for the Honourable Member not addressing the Chair.

Sir Abdul Halim Ghuznavi: I deny this statement about the policy of the Government of India in increasing railway debts by meeting the so-called capital expenditure of unremunerative character by fresh borrowing. I dispute that fact.

An Honourable Member: How can you dispute a fact?

Sir Abdul Halim Ghuznavi: I am sure the Honourable the Mover of this Resolution has appreciated the answer he has received from the Honourable the Financial Commissioner.

An Honourable Member: Have you?

Sir Abdul Halim Ghuznavi: He has given a complete answer. After that my impression was that there would be no further speech and the Honourable the Mover will withdraw the Resolution but two other Honourable friends of the Muslim League Party went on talking and that brought me on my legs. Sir, we are getting very much afraid of our friends

An Honourable Member: Are you?

Sir Abdul Halim Ghuznavi: the Members of the Muslim League Party. It is difficult in this House, with a House of about one hundred and forty-five Members of which not more than five or six belong to the commercial community or have anything to do with commerce, and when one Member of the Muslim League Party who was a commercial magnate, but who has now retired from commerce and he is

Sir Muhammad Yamin Khan (Agra Division : Muhammadan Rural) : Is the Honourable Member in order in talking about a Party, Sir? Is he talking about the Resolution?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member had better confine himself to the Resolution.

Sir Abdul Halim Ghuznavi: I am talking, Sir

Mr. President (The Honourable Sir Abdur Rahim): But the Honourable Member need not make any reflection upon any Party.

Sir Abdul Halim Ghuznavi: I am not making any reflection; I am making my position clear, *viz.*, that we want more business men to understand the business. One Member of the Muslim League Party who was a big business magnate has now retired and has taken a new portfolio under the All-India Muslim League and he is now the Foreign Secretary of the All-India Muslim League. He is now dealing with the Muslim Kingdoms.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member had better confine himself to the Resolution before the House.

Sir Abdul Halim Ghuznavi: The difficulty is that the other Members who are not in business do not understand (Interruptions.)

Sir Muhammad Yamin Khan: You please make some contribution on the Resolution itself.

Sir Abdul Halim Ghuznavi: The contribution that the Honourable the Mover made on this Resolution I have listened to with very great attention and I have also listened to the answer that he has received and I am of the opinion that the Honourable the Mover should withdraw this Resolution. Sir, I oppose this Resolution.

The Honourable Sir Andrew Olow: Sir, the matter has been so fully dealt with and so lucidly dealt with by my Honourable friend, the Financial Commissioner, that there is very little that I need add. In fact, if Mr. Nauman had been in the House when Mr. Staig was speaking, he would have found an answer to the question that he has raised, the answer being that Sir Ziauddin Ahmad's analogy regarding the boots and his suggestion that if small repairs are made they are always added to the capital cost at charge were erroneous. Mr. Nauman suggested that a Committee would have the great advantage of making financial questions intelligible. Well, I have, not being a financier, studied financial questions for many years and I do not think that there is any royal road to their understanding without a great deal of hard work. I would not profess to be an expert by any means and there are a great many things, when financiers get talking about them, that I am afraid I do not find simple to understand; but I do not think that the addition of one more Committee would make everything lucid and plain. We have of course the Public Accounts Committee, which has done fine services to us in the past and out of which some of the reforms that Mr. Staig mentioned have come. I wish I could suggest to Mr. Nauman that he should wait for Sir Ziauddin Ahmad's book when everything would be plain, but I am a little sceptical whether even that will make the whole matter lucid. I gathered this morning that we were to be deprived of a paragraph which would otherwise have been included in that and I hope sincerely it is the paragraph about the boots.

Then, I think, Mr. Nauman also asked about our rates of interest. Do we pay a fixed rate of interest, or do we get the advantage of movements in the money market? Well, the answer is that on the older capital, I think prior to about 1916-17, we pay a fixed rate, which is, I think, three and a half per cent.; thereafter we pay at the average rate

of borrowing—a method which means that we get some advantage as the interest rates go down. In fact during the Budget discussions this year it was made clear that we expect to pay less interest next year than we have paid this year. On the other hand, of course, if interest rates go up, we start paying a little more. Mr. Umar Aly Shah asked why we had not paid off the whole of the capital at charge? Well, Mr. Staig explained that we have not been able, much as we should have liked it, to put anything aside for amortisation, but here, speaking without expert financial guidance, I would suggest that it is not very sound to pay off, at any rate in any reasonably short time, a large sum of this kind. It would mean that this generation would be taking on itself a burden quite out of proportion to its deserts, and would be attempting to hand over to its children a big asset without any charges on it representing the capital. I think Sir Ziauddin Ahmad will support me there and say that that is not a sound financial proposition.

Finally, Sir, I cannot support this Resolution for the simple reason that he asks me to view "with alarm" our own policy, and I do not think that there is any cause for alarm. Allusion has been made to the spending in past years when we were all a great deal younger than now and when the world appeared to be a great deal more hopeful than it is today. I do not think we can really criticize the decisions taken in those years, unless we try and throw ourselves back into the atmosphere that then prevailed. It was a time when most people, officials as well as non-officials, hoped that we were on the eve of an enormous expansion, and of a period of great prosperity, and it was then that these heavy additions were made to the capital at charge on the Railways. Nor would I suggest that those additions will not to a large extent bring in a return; in fact they are doing so already. But in the course of these large spendings, undoubtedly there were investments which, possibly with better knowledge and certainly with later knowledge, we should not have made. In recent years we have, perhaps as much from necessity as from virtue, followed a much more conservative policy. The capital at charge is not growing at a rate which should cause anyone alarm; and, as Mr. Staig explained, we are taking steps to ensure that in the future, the scope of the additions will be even smaller. I believe that for the last five years the additions to the capital at charge amount to about 10.8 crores, and that, as the House will recollect, includes the purchase of at least three small Railways. I submit that in our present policy, which is largely constrained by circumstances, there is at least no cause for alarm. There might be a little despondency at the world situation but not at our financial arrangements.

Dr. Sir Ziauddin Ahmad: Sir, I raised one or two points in my original speech and I had been waiting to hear some reply. The very important question that I raised was that the depreciation fund of the kind we have in India does not exist in any other country.

The Honourable Sir Andrew Clow: I am sorry I did not mention that point. Of course, I did not expect that point to be explained. I have not got the figures with me but I believe the Honourable Member is incorrect.

Dr. Sir Ziauddin Ahmad: In which other country does it exist?

The Honourable Sir Andrew Olow: There are depreciation funds elsewhere.

Dr. Sir Ziauddin Ahmad: In India, of course. I have got the statistics of all those before me and I can make a present of them to my Honourable friend. The book is called *Statistiques Internationales des chemins de Fer* where they have separated the expenditure under the heading of the supervision, traction, maintenance of track, etc., There we find that there is no column for the depreciation fund. I pointed out in my opening speech that so far as India is concerned, they were compelled to put this depreciation under the 'Miscellaneous account' and raised it to 25 per cent. So, if it had existed in any other country besides India, then the "Miscellaneous account" here would also have been raised to this level. The Honourable Member for Communications said that there are other countries where depreciations are put in a separate column as we do in this country. May I ask him to produce administration reports in support of his contention and then I will correct my book with apology. I am presenting Easter gifts. Will he give me the reports he mentioned as Easter present.

Then, with regard to the point raised by my Honourable friend, Sir Abdul Halim Ghuznavi, I would like to quote a paragraph from the report of the Retrenchment Committee of 1931. In paragraph 119 they said:

"The total expenditure on new construction from 1924-25 to 1930-31 is over 42 crores, and it is the interest charges on this capital and on the capital sum on Open Line Works which amounts to over 105 crores in the same period (exclusive of 15 crores for the purchase of existing lines) which have contributed to a great extent to the condition in which railways find themselves at present. We consider that this ought to be a lesson to the Railway Board for the future."

Although it is old history but the practice of setting aside a big amount under open line works still continues. During this period they have raised their capital by 150 crores. There is one point to which I would like to draw the attention of the Honourable Member for Communications, the Financial Commissioner and the House together. It has been admitted on the floor of the House that the depreciation fund is being utilised for meeting the deficits. It is being utilised as if it was a reserve fund.

The Honourable Sir Andrew Olow: Was being, not is being.

Dr. Sir Ziauddin Ahmad: I am not talking of the present year, now because he has already provided sufficient money by raising the rates and fares. But I am talking of those days when the conditions were not so favourable. According to our Convention of 1924, this is the order in which money ought to be paid: First, the working expenses, then, the depreciation fund, then, the contribution to the general revenues and then comes the reserve fund. So, by shifting the reserve fund to the depreciation fund, you are really cheating the general revenues. This is the point which I brought forward in my first speech and I wish my Honourable friend, Mr. Chapman-Mortimer, will get up and give me an answer to this particular question. This is just the way in which business men tackle this problem. They cheat their shareholders, they cheat their consumers and they also cheat the Income-tax Officer.

Mr. T. Chapman-Mortimer: Is it right, Sir, for one Honourable Member to make such charges against another Honourable Member?

Mr. President. (The Honourable Sir Abdur Rahim): I am sure, the Honourable Member did not mean any personal reflection.

Dr. Sir Ziauddin Ahmad: I take him as the personification of business and I take myself as the personification of the poor consumer. I wish to have a clear answer to this question: By shifting the responsibility and the functions of the reserve fund to the depreciation fund, they evade the payment to the general revenues of the country. This is the kind of thing to which every Financial Commissioner, as the representative of the Finance Department, as the representative of the taxpayer of the country and as the representative of the people of India ought to say: "No, the obligation to the general revenues is first and any kind of appropriation to the reserve fund comes afterwards."

Then, Sir, I would like to mention another point. In every country there is a separate item for the avoidance of debt and we have got this item in our general finance also. So, why don't you also open another column under the head 'avoidance of debt'? You cannot debit all the losses like the dismantling of the Kangra Valley and similar other items under the head of depreciation fund under any scheme of accountancy. They ought to be debited under the head known as payment of debt—avoidance of debt.

Now, Sir, my Honourable friend quoted the authority of the Wedgwood Committee's report. I do not want to criticise the Wedgwood Committee's report but so much I must say that it took only one-sided evidence. I offered myself to give evidence but they did not invite me. They said they had no time to listen to me. When the Committee took evidence only from the railway people and refused to take evidence of those who did not see eye to eye with them in certain matters, how on earth can we rely on the report of that Committee? I do not want to go further. The report has already been expressed on the floor of this House.

There was some amusing remark made by my Honourable friend, the Communications Member, about my book but I can assure him that as soon as it is ready, he will have the first copy.

The Honourable Sir Andrew Clow: Thank you.

Dr. Sir Ziauddin Ahmad: As I said before, the object of my Resolution was really to draw the attention of the Government and of the public to this state of affairs. Matters of this kind cannot be disposed of in a day and I hope they will consider this question seriously and take proper action when the suitable opportunity arises. But my Honourable friend, the Financial Commissioner, did not mention that particular item regarding the strategic lines. That was unfair. Probably he will explain it to the Public Accounts Committee when the matter goes there, as we are bound to discuss this question on the floor of the House when the report of the Public Accounts Committee comes to us.

[Dr. Sir Ziauddin Ahmad.]

As I said before, I did not move this Resolution in order to obtain the vote of the House. I simply wanted to draw the attention of the Government to certain points on which I was feeling so strongly. I beg leave of the House to withdraw the Resolution.

The Resolution was, by leave of the Assembly, withdrawn.

RESOLUTION RE PICTURE GALLERY FOR NEW DELHI.

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural);
Sir, I beg to move:

"That this Assembly recommends to the Governor General in Council that he may be pleased to take immediate steps to build a house as Picture Gallery in New Delhi and put in it pictures of Indian Art."

Sir, this Resolution of mine is one of a series of Resolutions which I had tabled for the purpose of making improvements to New Delhi which is now the Capital of India and which, by a recent decision of the Government to curtail the size of the exodus to Simla, is becoming more and more important a town. Up to last year New Delhi used to be a sort of winter residence of certain classes of people and at the approach of summer people used to run away from this place. Now, New Delhi will be populated throughout the year, and when the Government have taken this decision, they should also take steps to encourage learning and to spread education. By encouraging art in this town, education may be imparted in an indirect method. Picture gallery to my mind is a great asset to any big town. The art of a country can only be developed if the whole art is placed in one particular place. Artists have been poor people and they could not, in the past, afford to exhibit their arts properly to the great advantage of the country. We know that India is quite rich as far as artists are concerned. India has got her own art. We have got some rich people who have got aesthetic taste also. Unfortunately, in many cases, art is dying out, and especially these rich people who can afford to patronise fine art, instead of doing so, go about for cheap articles which they probably import from outside India. I have seen in some houses a very fine picture, nice oil painting, sometimes nice water-colour painting of great value side by side with a cheap print put up on a costly frame. That shows that some people have got some kind of taste for art, but still they have not got it so much developed as to distinguish between a good picture of art and a cheap one. A thorough knowledge of art could be imparted by establishing a Picture Gallery or arranging picture shows annually. If you have any kind of show put up at the Connaught Place by certain artists, then they will bring their pictures for a short time and they will collect some small entrance fee. In such shows people do not take full advantage and they do not get their artistic tastes developed properly. But if you have a Picture Gallery where the pictures can be looked into throughout the year and they can be brought from all over India then outsiders like Americans or people from Europe will come and appreciate our art which owing to discouraging elements is now dying out. If you establish a Picture Gallery, you will be reviving this art. We will also find patrons among Indians to encourage this art. The producers of these artistic pictures will be given good impetus. I submit that the artists in India can compare very favourably with the artists of other countries. In

Europe we find that amongst Italians and the French art has developed to a great extent, they can produce fine works of art. People from other countries of Europe and people from America pay fabulous sums for Italian and French art pictures. We know that India had a lot of people who could beat the European artists. In India we have places like Ellora and Ajanta caves which are fine specimens of the artistic taste of India in olden times. Even at the present day we find some good artists in Delhi, but they are languishing for want of patronage.

In Delhi art consists mostly in paintings on ivory and water colour and we find that some of the finest pictures are produced of the Moghul families on small ivory. As regards fineness, these can compete with any other productions in the world. Delhi fine art has got its own originality and it is a pity that we do not find in Indian houses—even rich Indian houses—any good Indian art pictures. If we go to rich people's houses, we find only foreign stuff. Even in the palaces of big Maharajas which are built in Delhi you find only foreign pictures. Indian art is not finding its proper place as it ought to. We find that Indian States like Jaipur, Hyderabad and Kashmere have got great artists in those States. If they had properly been encouraged, they would have produced works of art of great value which will add to the wealth of this country. Unfortunately our rich people are not encouraging but rather neglecting this thing. Even today we find that a man can produce a picture of a member of a Moghul family as was done 200 years ago. He can only copy and can make nothing new because there is no market for his work. It is the duty of the State to afford encouragement to these people and add to the wealth of the country. Sir, a Picture Gallery has been devised by some people who have formed an association of their own. I am not a member of it but I think they have not got sufficient means and only depend on the generosity of a few philanthropists. But such a thing should not be left to the public. Government should contribute to the expenses of the building and its upkeep so that it may not only add to the beauty of this city but invite contributions from other people in the shape of works of art. Another thing is that the building should not be a copy of America but should be entirely oriental in outlook, not a copy of the Imperial Hotel but something original and attractive.

[At this stage, Mr. President (The Honourable Sir Abdur Rahim) vacated the Chair which was then occupied by Dr. Sir Ziauddin Ahmad, one of the Panel of Chairmen.]

Sir Abdul Halim Ghusnavi (*Dacca cum Mymensingh*: Muhammadan Rural): If the building be a copy of the Taj, will that satisfy you?

Sir Muhammad Yamin Khan: The Honourable Member knows that he is talking something which he does not mean.

So it should be modelled on the buildings of Delhi and if Government do not come forward and leave it to the public it will spoil the beauty of the city rather than improve it. Also, the Picture Gallery should be alongside the Museum. There should be an all-India Museum and also a library, for the purpose of education. There should also be a zoological garden where some creatures from Simla may be brought down for the benefit of those who do not want to go up there. These should all be located in a place where people may get the full benefit of them. I am

[Sir Muhammad Yamin Khan.]

told that the Central Asian Museum we have here is not properly patronised. If you place it in a corner and people are not even aware of its existence and in an unattractive building, it is not the fault of the people. In all big towns these things are placed in a prominent place in the centre of the town where there is easy access. In London the British Museum is in the centre of the city and the Picture Gallery is situated in Trafalgar Square, in the heart of the city, so that people get the benefit of education by going there. Here you locate it in a corner which is 45 minutes' walk from Connaught Place. I suggest that this Picture Gallery should be located in a central place, within easy reach of Old and New Delhi. It should also be open at all hours so that people who attend offices may attend it. If it is kept open only during office hours and closed on holidays the people who attend the offices will not be able to get any benefit out of it.

My Resolution may present some difficulty because I talk of "immediate steps" being taken, but I do not mean that a building should be immediately erected. I only desire steps to be taken for putting this scheme into operation. I know the present war situation and financial difficulties prevent Government from undertaking any building operations on a large scale in New Delhi, but if they agree with the principle underlying this Resolution and will undertake to erect a Picture Gallery as soon as funds become available, I will be satisfied. I will be glad if Government accept the proposition and agree to find money for it at a future date. Sir, I move.

Mr. Chairman (Dr. Sir Ziauddin Ahmad): Resolution moved.

"That this Assembly recommends to the Governor General in Council that he may be pleased to take immediate steps to build a house as Picture Gallery in New Delhi and put in it pictures of Indian Art."

Mr. Lalchand Navalrai (Sind: Non-Muhammadan Rural): Sir, the

Resolution wants the immediate building of a Picture Gallery
4 P.M. in New Delhi. I support it from the artistic point of view. If he wants it from the point of view of a lover of beauty, a 'shonki', I have every sympathy with him. Art in any direction should be encouraged. India is very rich in this ancient art and people from all parts of the world come and admire and purchase pieces at exorbitant prices. I have seen Sindhi merchants making large profits out of this in western countries. They show these pictures to American tourists in Egypt and Port Said and get very good prices for them. From another point of view also, these are ancient arts and they show how India was rich in intellect and education in the old days and I would support the Resolution. But from the economic point of view, my Honourable friend has himself given away his case: he has withdrawn his demand for the immediate building of the gallery. At this moment when we see so much unemployment all round and Excess Profits Bills being imposed on us, I say "Why not wait?". I can assure my friend that the Government will help him in this project when they have money. Just as in the western countries, we ought to have Picture Galleries. But this is not the time. I would certainly request the Government to bear in mind the necessity of having this Picture Gallery especially at the capital city.

My Honourable friend said something about the exodus to Simla being curtailed and perhaps he was then thinking of the live Picture Galleries on the Mall in Simla and he wants some such galleries here also.

An Honourable Member: Do you mean the Scandal Point?

Mr. Lalchand Navalrai: You may call it anything you like: when I was going to the Pusa Agricultural Institute I found on the way a board called "The Lovers' Lane". If that is what my Honourable friend wants, there are already live pictures in Connaught Place in the evenings. Sir, I would request the Honourable Member to wait as this is not the time for pressing the Resolution.

Sir Abdul Halim Ghuznavi: Mr. Chairman, may I inform my Honourable friend behind me at once that I am opposing this Resolution? After you, Sir, moved this morning that very important Resolution—and we had to give very serious consideration to it—it was indeed a great pleasure that we had recreation after the morning and after the one hour that was spent this afternoon over your Resolution. Sir Muhammad Yamin Khan wants a building for a Picture Gallery in Delhi, the Capital of India, and then he described the arts of India and how they are not preserved by the Indian States in their temporary residences in Delhi, quite forgetting that they preserve all their arts in their own States, in their palaces. He really wants a Picture Gallery or an institution which is known in Paris as the Hall of all Nations.

Sir Muhammad Yamin Khan: Has the Honourable Member seen that?

Sir Abdul Halim Ghuznavi: My friend has seen it, and so he knows all about it.

Mr. Lalchand Navalrai: Don't expose each other.

Sir Abdul Halim Ghuznavi: Now, why does my friend want a building? Not only that he wants those pictures to be hung on the wall, but he also wants a building in addition to those pictures to be hung there. Then he proceeded to describe the kind of building he wants, the style and so on. But he realised, proceeding further with his speech, that this was not the appropriate time to ask the Government of India to spend money that way and, therefore, he halted and asked them to take immediate steps to build a house, and then added that if the Government of India agreed to this proposal on principle, then they could keep it back. My friend said that wherever one went in Europe one saw Picture Galleries and the Hall of Nations.

Sir Muhammad Yamin Khan: I did not say anything about the Hall of all Nations.

Sir Abdul Halim Ghuznavi: A Picture Gallery and a Hall of all Nations are the same thing.

Sardar Sant Singh (West Punjab: Sikhs): Whose opinion are we to accept?

Sir Abdul Halim Ghuznavi: Leave it to the Chairman to decide.

Sir, it would appear that Lady Yamin Khan has perhaps got tons of money and she does not know how to spend it, and this suggestion from my friend really means that he wants a gesture from the Government, and Lady Yamin Khan finds the money. Sir, may I request the Honourable the Education Secretary to approach Lady Yamin Khan to place the money at his disposal to make a Picture Gallery, and we will go and visit it. But please do not construct it now. Build it after the war is over, otherwise Government will have to order for sand bags for its protection. Don't forget that the Nazi war and the Soviet war are still going on; don't have more buildings, because they will have to be protected with sand bags. Of course, that will be to our interest in Bengal. Sir, this is a Legislative Assembly, and not a school debating society, and I think, Sir, this sort of Resolution should not have been brought forward seriously to be discussed on the floor of the House.

Sir Girja Shankar Bajpai (Secretary, Department of Education, Health and Lands): Mr. Chairman, the Honourable Member who has just resumed his seat has shown himself in the role of a philistine, I think, perhaps for the first time in my experience. He tried to suggest that the transition from your Resolution, Mr. Chairman, to this was a descent from the serious to the ridiculous. I have no doubt that my friend, Sir Muhammad Yamin Khan, would most stoutly oppose any such suggestion. In fact, the least that he would be prepared to accept as a compromise would be that this is a change from the serious to the sublime. (Hear, Hear.) And I certainly do not propose to treat the proposal of my friend with quite the same degree of light-hearted facetiousness as my friend, Sir Abdul Halim Ghuznavi, did, although, I confess, that I greatly enjoyed the way in which he commented upon this Resolution.

Sir, before the Session started I remember my office sending up to me a batch of Resolutions of which my friend had given notice. One was about the establishment of a museum, another was about the establishment of a zoological garden, a third was about the establishment of a library, and then there was the Resolution which figures on the order paper of the day. I suppose the thread connecting all these is the educative value of them all,—the educative value of a museum, the educative value of a zoological garden, the educative value of a library and so on. Well, now, I had a rather witty Under Secretary once who, commenting upon a proposal, which came from the North-West Frontier Province Government, to the effect that the Zoological Garden in Peshawar should be continued, said that he was not a believer in the educative value of Zoological garden, because he did not think that either monkeys or the carnivora were calculated to impart to anybody education that was of any value. I do not know whether my friend takes quite a serious view of the educative value of a zoological garden. In any case, I am sure he will agree with me that it would be nothing short of a tragedy to locate a zoological garden in the neighbourhood of his Picture Gallery. If that happens, you might have a Zebra or a Giraffe working havoc inside the Picture Gallery, and that, considering the very slender resources of the Government, would, I am sure, not be acceptable to the Finance Department, assuming that one could persuade the Finance Department to find money, whether for a museum or for a Picture Gallery.

Now, Sir, before I pass on to the serious part of what, I hope, is going to be a very brief speech, I should like to tell my friend, Mr. Lalchand Navalrai, that while I agree with a good deal of what he said, I do not agree with the suggestion that the pictures with which the ordinary passenger passing through Port Said is importuned as he descends from the boat could be suitably displayed either in Delhi or in any other place in any public gallery.

Now, Sir, as I said, to pass from not the ridiculous, but from the amusing to the serious, Government from time to time have considered the project of establishing in New Delhi a museum. At first the idea was that it should be an Archæological museum. Then suggestions were made that throughout India there was no anthropological museum, and so we said we should have the two together. But, at no stage, to be quite candid, have we taken into account the possibility of having a Picture Gallery here. But after all, Sir, painting is one of the fine arts, and if we are to have a museum here, it might be worth while examining the possibility of including in our plans for a museum some place where pictures could be housed. And, I am quite prepared to give the House an undertaking that, when our plans for the museum mature, then this idea will be borne in mind. In fact, we well realise that, apart from the pictures, very fine pictures indeed, examples, if you like, of the miniature paintings of the Moghuls, the paintings of the Rajput School and so on, that apart from medieval Indian painting, whether of the Rajput or the Islamic school, there are very vigorous schools of modern painting in Bengal, Bombay and other parts of India, and that if Government could afford the money, it would be desirable to acquire the best examples of these to constitute a national collection to be housed, appropriately enough, in a suitable building in what we consider to be the national capital of India, namely, Delhi. But for the financial considerations which my Honourable friend himself recognises the importance of, it is quite impossible for me to give an undertaking that we would take immediate steps in that direction. I will just mention a couple of figures to emphasise the validity of my objection. When we first took into account the cost of a purely archæological museum, in 1914, the estimate was Rs. 15 lakhs. In 1925, when the ethnological part of the museum was to be added, the estimate went up to Rs. 24 lakhs. With rising prices of building material and so on, it is pretty certain that if we were to act upon the proposal for immediate action to establish a museum we would be running somewhere to the neighbourhood of Rs. 60 or 70 lakhs. I am quite sure that every section of the House, and my Honourable friend in particular, will realise that this is not the time when Government could, in reason, be expected to embark upon an expenditure of this kind. I hope that the expression of sympathy that I have given to my Honourable friend would be sufficient for the day and unto the day and that he will not press his Resolution.

Sir Muhammad Yamin Khan: The most entertaining of all the speeches that have been made on my Resolution was that of my Honourable friend, Sir Abdul Halim Ghuznavi. He told the House this morning when Mr. Nauman was speaking that people should not speak on a subject which they do not understand. But this afternoon my Honourable friend himself showed that from the very beginning of the day he has been violating the principle which he has laid down for others. He had been talking on all sorts of subjects in which he exhibited gross ignorance. The Resolution, on which he rose to speak last time, was too serious for him to understand.

[Sir Muhammad Yamin Khan.]

and he simply wound up by saying that people could not understand the subject, therefore, he did not want to speak on the Resolution. But he went to the greatest limit this afternoon when he tried to mix up my Resolution with the House Of all Nations in Paris which he had visited.

Sir Abdul Halim Ghuznavi: I did not do that.

Sir Muhammad Yamin Khan: He said that the Picture Gallery which I proposed should be put up in Delhi, and then the excuse he gave was he has become too old to enjoy the pictures. I am not deterred by such kind of speeches, they do not affect me in any way. I am too old a parliamentarian to be taken in by all that. Many buffooneries I have seen in this House like the one exhibited today. I had great enjoyment from his speech, and because Sir Abdul Halim Ghuznavi is also opposed to going to Simla, for the benefit of that class, I had suggested that a museum be established where they can have some creatures imported from Simla and they may have the enjoyment of associating themselves with those creatures to which they have been accustomed for a long time. That finishes the funny part of the affair.

I am thankful to the Honourable Secretary of the Education Department for the promise that his Department will give full consideration to this question when the scheme for putting up a museum in Delhi comes up for consideration. He realises that it has got a great educative value, and that a museum and a Picture Gallery in New Delhi are desirable. I am glad that the Department is alive to the need of spreading education in this town, and that they are not going to be led away by those light-hearted gentlemen who in spite of having lost the vigour of their youth still want to make the debate lively and happy as they did this afternoon. I am afraid Sir Girja Shankar Bajpai did not understand me rightly, and if I have given this wrong impression I am very sorry, because I never meant it, that the zoological garden should be housed side by side with the Picture Gallery. It was far from my mind to make any such suggestion. What I said was that the Picture Gallery and the museum should be located side by side and the museum and the zoological garden can be located as far apart as possible and not side by side. After having this assurance I do not think that I should waste the time of the House any more, and so I ask leave of the House to withdraw the Resolution.

The Resolution was, by leave of the Assembly, withdrawn.

Sir Syed Raza Ali (Cities of the United Provinces: Muhammadan Urban): Sir, in conformity with the decision of my Party, namely, the Muslim League Party, I have decided not to move this Resolution*.

*"That this Assembly recommends to the Governor General in Council that the objective of His Majesty's Government being the achievement by India of full Dominion Status, namely, Dominion status of the Statute of Westminster variety, coupled with a desire to make the intermediate period the shortest practicable as an immediate earnest of His Majesty's Government's intention, a decisive scheme be devised and acted upon with speed and vigour to do away altogether with distinctions between Britishers and Indians in the Indian army, navy and air force and train the latter to undertake the entire defence of their country within a fixed period."

**RESOLUTION RE ENACTMENT OF LABOUR LEGISLATION ON
CERTAIN LINES.**

Mr. H. A. Sathar H. Essak Sait (West Coast and Nilgiris : Muham-
madan) : I move :

"That this Assembly recommends to the Governor General in Council to take immediate steps for labour legislation providing the following points :

- (a) A representative of workmen should sit on the Boards of Directors and Boards of Management (if any) of all the public companies.
- (b) No company should be permitted to declare more than 6 per cent. dividend to be distributed among the share-holders. If the dividend falls short from the bank rate of interest in any year it should be treated as a liability to be made good from the profits of the future years.
- (c) The surplus profit after paying the working expenses, depreciation, dividend to share-holders and other taxes should be deposited in a Benevolent Fund, which should be available for the benefit of workmen, other employees, and the shareholders in specified proportion. The Benevolent Fund should be independent of the Provident Fund, if any, and it should be administered by a Committee, which should include a nominee of the Government and the representatives of workmen and of the Board of Directors.
- (d) No person connected with the management of the Company should get more than two thousand rupees in salary and allowance with the exception of experts who may be appointed for a short period.
- (e) The profit should not be spent on capital expenditure without the consent of the Committee of Management of the Benevolent Fund."

In moving this Resolution, I quite realise that my Resolution seeks to revolutionise, I should say, the policy of the Government of India with regard to the industrial development of this country. My Resolution in fact tries to give a new direction to the industrial policy of the Government of India. Hitherto, the policy of the Government of India and of this House has been to see that through adequate protection the industrialist is secured a good profit. That has been the policy, I believe, for the last 20 or 25 years since the policy of protection was accepted by this House and the result has been very encouraging. There is no doubt about that. Our industrialists under this policy of protection have been making good profits and it has to be admitted that the industry of the country is in a fair way. What I seek to do today is to bring to the notice of the country, through this House particularly, the need of considering certain other aspects of this same question. We have secured to the industrialists a fair percentage of the profits and I think the House will agree with me that the time is ripe when we must see that the other interests connected with industry should also have their share of our attention. From many of the questions put in this House it has been made clear to the Members of the House that in certain industries the profits earned by the companies have been more than fair. There were questions particularly from you, Sir, which pointed out the exorbitant profits that were being made by certain protected industries. Therefore, it is felt that the time has come when we should see that at least such industries which are making really big profits should be compelled—that is the idea—to distribute a portion of that profit

An Honourable Member: Sir, there is no quorum in the House.

(The bell was rung.)

[At this stage, Mr. President (The Honourable Sir Abdur Rhaim) resumed the Chair.]

Mr. President (The Honourable Sir Abdur Rahim): As there is no quorum, the House stands adjourned till tomorrow.

Before the House adjourns, the Chair would like to remind the House that tomorrow the House will meet at five o'clock, specifically for the purpose of the presentation of the Budget by the Honourable the Finance Member and, therefore, according to the convention which has now been established, questions will be dispensed with tomorrow.

The Assembly then adjourned till Five of the Clock on Thursday, the 20th February, 1940.