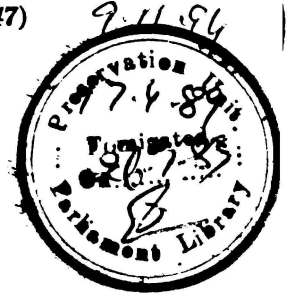


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THIRD SESSION
OF THE
SIXTH LEGISLATIVE ASSEMBLY
1947

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LEGISLATIVE ASSEMBLY

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The Honourable Mr. G. V. MAVALANKAR.

Deputy President :

Khan MOHAMMAD YAMIN KHAN, M.L.A.

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Mr. P. J. GRIFFITHS, M.L.A.

Sardar MANGAL SINGH, M.L.A.

Shrimati AMMU SWAMINADHAN, M.L.A.

Secretary :

Mr. M. N. KAUL, Barrister-at-Law.

Assistant of the Secretary :

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Mr. N. C. NANDI.

Marshal :

Captain Hajee Sardar NUR AHMAD KHAN, M.C., I.O.M., I.A.

Committee on Petitions :

Khan MOHAMMAD YAMIN KHAN, M.L.A. (*Chairman*).

Syed GHULAM BHIK NAIRANG, M.L.A.

Shri SRI PRAKASA, M.L.A.

Mr. C. P. LAWSON, M.L.A.

Sardar MANGAL SINGH, M.L.A.

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LEGISLATIVE ASSEMBLY

Tuesday, 18th February, 1947

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Mr. G. V. Mavalankar) in the Chair.

MEMBER SWORN:

Capt. G. T. B. Harvey, C.I.E., M.L.A. (Madras: European).

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

RETRENCHMENT IN THE CENTRAL PUBLIC WORKS DEPARTMENT

366. *Pandit Sri Krishna Dutt Paliwal: Will the Secretary of the Works, Mines and Power Department please state:

(a) the total number of workers who on the termination of hostilities were in the service of Central Public Works Department throughout India directly and indirectly as (i) permanent, (ii) temporary, and (iii) work-charged,

(b) the number of these workers under each category at present;

(c) the number proposed to be reduced as a result of return to peace time economy; and

(d) the steps that Government have taken or propose to take to provide suitable employment to the workers so relieved?

Mr. B. K. Gokhale: (a) Presumably, the Honourable Member has in mind the manual labourers, and the figures given below relate to that category. (i) Permanent—Nil, (ii) Temporary—28,095, (iii) Work-charged—34,600, (Total—62,695);

(b) (i) Permanent—Nil, (ii) Temporary—38,175, (iii) Work-charged—23,762, (Total—61,937).

I might mention that a certain proportion of the work-charged establishment will be shortly made permanent.

(c) No appreciable reduction seems likely owing to post war developments.

(d) In view of the answer given to part (c) above the question does not arise.

FACILITIES FOR WORKERS IN THE CENTRAL P.W.D.

367. *Pandit Sri Krishna Dutt Paliwal: Will the Secretary of the Works, Mines and Power Department please state:

(a) whether Government are aware that arrangements for drinking water for the Central Public Works Department workers are not quite satisfactory;

(b) whether Government are aware that at some work places there are no urinals and latrines for them;

(c) whether Government are aware that the housing conditions for work charged men are unsatisfactory; and

(d) the steps Government have taken or propose to take to remove these grievances?

Mr. B. K. Gokhale: (a) to (d). It is not possible to answer these questions in the absence of information as to the locality to which these grievances relate. Government are aware that housing conditions in general are unsatisfactory and the problem will have to be tackled as a whole. The Central Public Works Department try to make adequate arrangement on all important construction works for supply of drinking water to workers, as also for urinals and latrines.

Pandit Sri Krishna Dutt Paliwal: Have Government received any complaints about the lack of urinals, latrines, drinking water, etc.

Mr. B. K. Gokhale: These are matters dealt with by the Chief Engineer and he might have received complaints which he always tries to remedy.

Miss Maniben Kara: Will the Honourable Member consider the desirability of doing away with contract labour and recruit labour directly under the auspices of the department?

Mr. President: How does this question arise?

Miss Maniben Kara: This question relates to contract labour.

Pandit Sri Krishna Dutt Paliwal: No, it is the next question.

APPLICABILITY OF LABOUR LAWS TO THE LABOUR IN CENTRAL P. W. D.

368. *Pandit Sri Krishna Dutt Paliwal: Will the Honourable the Labour Member please state:

(a) whether Government are aware that Factories Act, Payment of Wages Act and Maternity Benefit Act are not applicable to the Central Public Works Department labour;

(b) whether Government are aware that most contractors evade the payment of exact compensation by trying to arrive at compromise with the injured workmen; and

(c) whether Government propose to make the Acts referred to in part (a) above applicable to the Central Public Works Department labour and prevent the contractors from evading the payment of exact compensation? If so, when and how?

The Honourable Shri Jagjivan Ram: (a) Yes.

(b) Government have seen reports that the payment of full compensation is evaded in some cases, but no such cases have come to the notice of Government.

(c) The payment of wages in Central Public Works Department is regulated by the Central Public Works Department Contractors' Labour Regulations which follow substantially the Payment of Wages Act. As regards Factories Act, it is proposed to take powers in the revised Factories Bill to extend certain provisions of the Factories Act relating to safety, health and welfare to Building Operations and Works of Engineering. It is hoped to introduce the Bill in the current session of the Assembly. The question of giving maternity benefits to the female labour employed in the Central Public Works Department is under consideration. The question what measures can be taken to secure that compensation due under the Workmen's Compensation Act is paid properly in all cases is being examined.

Miss Maniben Kara: Will the Honourable Member consider the desirability of doing away with contract labour and recruiting labour directly?

The Honourable Shri Jagjivan Ram: The Government are anxious to do away with contract labour as far as possible. We are examining the question, but in C.P.W.D., it is difficult to eliminate contract labour altogether in the present circumstances.

Miss Maniben Kara: Will the Honourable Member in the meanwhile consider the desirability of appointing labour officers whom the workers can approach for such complaints when they are harassed by contractors?

The Honourable Shri Jagjivan Ram: All these questions are under examination.

Pandit Sri Krishna Dutt Paliwal: Has any time limit been fixed for the examination to be finished?

The Honourable Shri Jagjivan Ram: In such matters no time limit can reasonably be fixed. We are trying to expedite the thing as early as possible.

CONTRACT BETWEEN INDIA AND HER NATIONALS IN COMMONWEALTH COUNTRIES

369. *Pandit Sri Krishna Dutt Paliwal: Will the Honourable Member for Commonwealth Relations please state:

(a) the steps Government have taken or propose to take to establish close contact between India and her nationals in the Commonwealth countries; and

(b) the names of the Ambassadors appointed by the Interim Government in these countries so far together with the names of the countries in which each Ambassador has been appointed?

The Honourable Pandit Jawaharlal Nehru: (a) Government have appointed High Commissioners in South Africa and Australia, a Representative and an Agent in Ceylon, and Representatives in Malaya and Burma. Proposals for the appointment of Representatives in East Africa, Mauritius, West Indies and Fiji are under consideration. Proposals to send goodwill missions to certain countries are also under consideration.

(b) Dr. M. A. Rauf has been appointed Representative in Burma.

Mr. Ahmed E. H. Jaffer: Is there any truth in the statement that there is going to be appointed a High Commissioner or an Ambassador in France? If so, who is to be appointed?

The Honourable Pandit Jawaharlal Nehru: This question relates to Commonwealth countries. It has no relation to other countries. The Honourable Member must have seen a statement which appeared in yesterday's papers and also this morning to the effect that diplomatic relations are going to be established with France on an Embassy level. A decision has been arrived at to this effect, but the question as to when it shall be done and who should be appointed has not been gone into.

Mr. Sasanka Sekhar Sanyal: Do the Government possess any records to show the number of Indian nationals that are residing in each of the Commonwealth countries?

The Honourable Pandit Jawaharlal Nehru: Generally speaking we have these figures.

Mr. Sasanka Sekhar Sanyal: Is it possible for the Government to examine the question of publishing these figures periodically, once a year?

The Honourable Pandit Jawaharlal Nehru: Certainly, they can be published. I do not know exactly in what form the publication should be, whether it is to be in the form of a statement in the Press. We shall certainly publish them now, if the Honourable Member so desires and revise them again next year.

RESIGNATION BY MR. SHAMSUDDIN FROM THE EXECUTIVE AND THE LEGISLATIVE COUNCIL OF KENYA

370. *Seth Govind Das: (a) Will the Honourable Member for Commonwealth Relations please state whether Government are aware that Mr. Shamsuddin, a veteran Kenya Indian Politician, a Member of the Kenya Legislative Council and the only Indian Member of the Kenya Governor's Executive Council has resigned from both these bodies on the objection by the Governor on certain passages of his letter written in a Kenya Indian paper?

(b) Have Government any more information to give on this incident?

The Honourable Pandit Jawaharlal Nehru: (a) Yes, Sir.

(b) An enquiry was made from the Government of Kenya who stated that Mr. Shamsuddin published a letter in a local Indian newspaper certain passages of which were considered by the Governor to be incompatible with Mr. Shamsuddin's membership of the Executive Council. In consequence Mr. Shamsuddin tendered his resignation of his membership of both the Executive and the Legislative Councils. His resignation was accepted by the Governor.

Seth Govind Das: Have Government received any communication from Mr. Shamsuddin in this respect?

The Honourable Pandit Jawaharlal Nehru: Not that I am aware of. We have received a communication from others in Kenya.

Seth Govind Das: Will the Government write directly to Mr. Shamsuddin, he being a veteran leader of that colony, and find out how the matter stands?

The Honourable Pandit Jawaharlal Nehru: I do think there is much doubt about it. We did enquire and we got a copy of the letter on which apparently the Governor took action—the letter published by Mr. Shamsuddin. There is nothing further to enquire about.

Mr. Tamizuddin Khan: Can the Honourable Member state the nature of the contents of the letter taken exception to?

The Honourable Pandit Jawaharlal Nehru: We received a copy of that letter part of which contains *inter alia* an exhortation to people to rise at 2 a.m. at night and murder large numbers of people.

Sardar Mangal Singh: May I know whether another Indian has been appointed to that Council in his place?

The Honourable Pandit Jawaharlal Nehru: I am not quite sure, but steps were taken for some kind of election. What exactly happened afterwards I cannot say.

Seth Govind Das: Are Government aware that appointment to the Kenya Executive Council is made by nomination and not by election? Will Government therefore state if another Indian has been appointed in his place?

The Honourable Pandit Jawaharlal Nehru: When I spoke about election, I referred to the Legislative Council there and not the Executive Council. As regards the latter we are of course naturally interested in having an Indian there but, as the Honourable Member knows, we can only make recommendations on the subject.

Dr. Zia Uddin Ahmad: Can the Honourable Member lay that letter on the table of the House?

The Honourable Pandit Jawaharlal Nehru: Yes, if the House so desires. But I would personally suggest that Honourable Members who feel interested may see it in the Commonwealth Relations Department.

Haji Abdus Sattar Haji Ishaq Seth: May I know where the Honourable Member got the copy of the letter from and whether he is sure of its genuineness? Did he get it from the writer himself or from any other source?

The Honourable Pandit Jawaharlal Nehru: The letter was published in a local newspaper and we got a cutting of the newspaper with that letter. We also got a separate copy not from Mr. Shamsuddin but from other people in East Africa.

Haji Abdus Sattar Haji Ishaq Seth: Having regard to the importance of the letter and the importance of the statement made in this House, will the Honourable Member make inquiries from the writer himself as to whether that is the correct version of the letter?

The Honourable Pandit Jawaharlal Nehru: Certainly, Sir.

REFUSAL OF PERMISSION TO MR. MAGANLAL HIRACHAND SHAH TO ENTER CANADA

371. *Seth Govind Das: (a) Will the Honourable Member for Commonwealth Relations be pleased to state if his attention has been drawn to a Reuter's message of the 15th December 1946 that Mr. Maganlal Hirachand Shah, a member of the Bombay Legislative Assembly, was refused permission to enter Canada on an alleged expression of opinion on Indian political situation?

(b) What is the detailed information available with Government in this connection?

(c) Do Government propose to enquire into the matter and represent to the Canadian Government so that ordinary travelling facilities are granted to every Indian visitor to Canada?

The Honourable Pandit Jawaharlal Nehru: (a) Yes.

(b) and (c) Mr. Shah was at first refused admission to Canada on the 6th December because the Government of Canada had information that he was connected with underground movement in India in 1942, was imprisoned for three years as a dangerous person and was debarred from entering the State of Mysore. Mr. Shah, however, preferred an appeal against this initial order and the Government of Canada referred his case to the Government of India seeking definite information about the grounds on which his admission was held up. The Government of India replied that Mr. Shah's detention in India was for political reasons and represented to the Government of Canada that he should be allowed to enter Canada. As a result Mr. Shah was allowed entry into Canada as a "non-immigrant", that is to say, as a temporary visitor.

Ordinarily there is no bar to Indians visiting Canada provided they have the necessary permit from the Canadian authorities.

Seth Govind Das: Have Government received any information from Mr. Shah himself whether he would like to be there as a temporary visitor or to remain there permanently?

The Honourable Pandit Jawaharlal Nehru: As far as I remember, we received a number of cables on the subject. The question of his desiring to go there as a temporary visitor or for a longer period was not before us.

INDIANS IN BRITISH GUIANA

372. *Seth Govind Das: Will the Honourable Member for Commonwealth Relations be pleased to state:

(a) the number of Indians in British Guiana;

(b) whether Government are aware that the Indian population there has not got even the fundamental right of voting; and

(c) if the answer to part (b) above is in the affirmative, the steps that the Government of India propose to take to safeguard the rights of Indians there?

The Honourable Pandit Jawaharlal Nehru: (a) 157,165 according to an estimate made in 1942.

(b) There is no discrimination against Indians as such in respect of franchise qualifications in British Guiana.

(c) Does not arise.

Mr. Sasanka Sekhar Sanyal: Is British Guiana the only place in Commonwealth countries where Indians are refused privileges?

The Honourable Pandit Jawaharlal Nehru: They are not refused privileges there.

Mr. Sasanka Sekhar Sanyal: Are they not restricted privileges?

The Honourable Pandit Jawaharlal Nehru: I stated just now that there is no discrimination against Indians as such in respect of franchise qualifications.

Mr. Sasanka Sekhar Sanyal: Does that mean that Indians there stand on the same footing in the matter of franchise as nationals of that place?

The Honourable Pandit Jawaharlal Nehru: I cannot give a positive reply. Under the present franchise regulations, so far as I know, any person may be registered as a voter in any one electoral district, and when registered may vote at the election of a member of the legislature, etc. Then various qualifications are laid down, *e.g.*, he should have attained the age of 21, he is not under any legal incapacity, he is a British subject by birth or naturalisation and possesses within the electoral district in which he claims to be registered as a voter one or more of the following qualifications, etc., which relate to the occupancy of land, and so on. Then there are disqualifications, namely, that (a) he cannot read or write some language, (b) has within 12 months of his registration received any relief from public funds or funds of any local authority, (c) has been sentenced in any part of His Majesty's dominions to penal servitude, etc., for a term exceeding 12 months. So there is no special disqualification with regard to Indians as such.

Seth Govind Das: Except franchise, do Indians suffer from any other disqualification in British Guiana?

The Honourable Pandit Jawaharlal Nehru: I shall require notice.

INDIANS IN THE UNITED NATIONS SECRETARIAT

373. *Seth Govind Das: Will the Honourable Member for External Affairs be pleased to state:

(a) whether Government are aware that out of 3,000 members of the United Nations Secretariat only 3 Indians have been appointed and that too in the lowest Secretariat Groups;

(b) whether Government are aware that some 70 to 80 applications by Indians have during the past few months failed to elicit any response;

(c) who are responsible for these appointments and what is the basis on which the recruitment is made;

(d) whether the above, 3,000 appointments are made after written examinations held by an International Civil Service Commission; and

(e) whether Government propose to give any information about the nationalities of the persons who have been appointed to fill the above 3,000 posts?

The Honourable Pandit Jawaharlal Nehru: (a) Eight Indians have been appointed; three in a higher grade.

(b) Government have no information, how many Indians have applied, since a number of applications were sent direct and the Public Services Commission have only recently undertaken to forward applications.

(c) The Secretary General, The Charter requires appointments to be made in accordance with the highest standards of efficiency, competence and integrity, and on as wide a geographical basis as possible.

(d) No. The question of constituting such a Commission will be considered by the United Nations Assembly in its next session.

(e) A statement has been laid on the table in response to part (a) of question No. 56 by Mr. Vadilal Lallubhai.

Mr. Mann Subedar: Have Government considered the question of pressing very strongly on the U.N.O. authorities that there should be some relation between the amount of contribution that India is called upon to pay and the number of employees in the Secretariat taken from India?

The Honourable Pandit Jawaharlal Nehru: I can assure the Honourable Member that Government have been laying and will continue to lay the greatest stress on that.

ESTABLISHMENT OF A FOREIGN SERVICE SCHOOL

374. *Seth Govind Das: Will the Honourable Member for External Affairs be pleased to state:

(a) whether, in view of the recent references made by him to the building up of an Indian Foreign Service, any steps are being taken to establish a Foreign Service School in this country where the personnel of the foreign service would receive proper training before leaving this country; and

(b) if so, where this School is proposed to be located and by what time it would come into existence?

The Honourable Pandit Jawaharlal Nehru: (a) and (b) It is not intended to open a separate training school for the Indian Foreign Service; but young recruits to this Service will generally be sent for training to the school to be opened shortly at Dehra Dun for recruits to the All-India Administrative Service. It is hoped that Universities in India will start special courses in International Affairs and foreign languages. Selected recruits will undergo a further course of training at headquarters in the course of which they will attend a special course in Delhi. Probationers will also get training in Missions established abroad.

Seth Govind Das: What would be the position of those who wish to join this service before any course is prescribed by the universities and before they pass those examinations?

The Honourable Pandit Jawaharlal Nehru: The Federal Public Service Commission will presumably in the course of a very few days issue a notification to this effect that those who possess certain qualifications and wish to apply should apply to them.

Mr. Sasanka Sekhar Sanyal: May I know what is meant by the expression "young recruits"? Is there any restriction of age in the matter of recruitment to this service?

The Honourable Pandit Jawaharlal Nehru: With regard to new recruits there is of course an age restriction; it will be the normal age for joining a service. But in this intervening period other recruits will also be taken, that is to say, of higher ages to fill vacancies, because we cannot afford to wait till young people are trained up to fill these vacancies. So a number of people of various age groups—probably it will be up to 40—will be taken. Of these the senior persons presumably do not require the same type of training as younger recruits may require. They have already had some training and so they will be posted immediately.

Shri Sri Prakasa: Could the Honourable Member give us an idea of the qualifications required from these young persons? Would it be necessary for them to be graduates of Universities?

The Honourable Pandit Jawaharlal Nehru: The House will remember that these persons in future are going to be taken after a fairly difficult competitive examination—the same one in fact as for the All-India Administrative Services. Apart from that the qualifications necessary now for applicants are going to be a first class University degree, that is normally only first class people will be considered; those who obtain first class in any recognized university. That is supposed to be an essential qualification and preference will be shown to those who know foreign languages also, other than English, as well as those who have had some acquaintance with foreign countries.

Shri Sri Prakasa: In view of the fact that under the advice of the Honourable gentleman and his colleagues, a large number of very capable men boycotted the Universities, would the Honourable Member at least see to it that the qualification of possessing first class degrees of Universities is deleted for applicants for this service?

The Honourable Pandit Jawaharlal Nehru: The point that the Honourable Member has made is worth consideration, but I am afraid if really competent persons are allowed to come to Service it is a little difficult to make vague rules and the Honourable Member will remember that the choice lies with the Federal Public Services Commission and it is they who are laying down the qualifications. No doubt to some extent they are consulting others but the choice is entirely theirs and they lay down the qualifications.

Shri Sri Prakasa: In view of the fact that non-cooperating students have a disqualification attached to them as such in the eyes of the Federal Public Services Commission, will the Honourable Member kindly inform that august body to delete this disqualification both from its written documents and from its mind?

The Honourable Pandit Jawaharlal Nehru: I certainly hope that there will be no disqualification on that account.

Seth Govind Das: Will the Government see that besides the Universities which are recognized by the Government, degrees of other institutions like Gurukul Kangri, Shantiniketan, and others are also taken into consideration before the selection is made?

The Honourable Pandit Jawaharlal Nehru: It is a little difficult to give a precise answer to the Honourable Member's question, because there are various shades and grades of recognition, and I do not quite know which is recognized and to what degree, but obviously some institutions which the Honourable Member has mentioned are well known and are of great repute and in the case of others their standards are not very high, and therefore it becomes very difficult to draw the line.

Sr Cowasjee Jehangir: I think the Honourable Member mentioned an examination. Will that be an examination in the initial stage just now before the Federal Public Services Commission accepts applications?

The Honourable Pandit Jawaharlal Nehru: In the normal course, the Foreign Service is going to be drawn, like the Central Administrative Service, through a competitive examination for which I take it the Home Department are making arrangements. We shall require some special subjects for this examination, but at present, apart from this normal procedure, we have to get a few persons to start the service and for this there will be no examination except such tests as the Federal Public Service Commission may set.

Dr. Zia Uddin Ahmad: May I ask what does he mean by recognition? If recognition is for the purpose of admission to Universities, then Universities being autonomous bodies will not listen to you if recognition is for the Federal Public Service Commission, they are there.....

Mr. President: What is the question?

Dr. Zia Uddin Ahmad: Recognition for what purpose?

The Honourable Pandit Jawaharlal Nehru: I did not understand the Honourable Member's question.

Pandit Govind Malaviya: Will the Government consider the question of the recognition of the degrees of these non-official institutions—like the ones which have been mentioned—for such purposes?

The Honourable Pandit Jawaharlal Nehru: I imagine recognition can be for one purpose and not for another. Certainly that question should be considered in its wider context, not in this specific context only.

MESSAGE OF BRITISH PREMIER TO THE LEADER OF THE ASSEMBLY *re* CONSTITUENT ASSEMBLY

375. *Mr. Ahmed E. H. Jaffer: (a) Will the Honourable the Leader of the House be pleased to state whether it is a fact that he received a message from the British Premier "to go ahead with the Constituent Assembly proceedings on the basis of the Cabinet Mission's Statement of May 6, and to ignore the speeches by Mr. Winston Churchill and others and to ignore Mr. Jinnah's boycott of the Constituent Assembly"?

(b) If so, was it communicated to all his colleagues in the Interim Government?

The Honourable Pandit Jawaharlal Nehru: (a) and (b) I do not know to what message the Honourable Member refers, nor do I know from where the quotation in the question is taken. Two messages were received by me from the British Prime Minister at the end of November and both these were published in the Press.

CRIMES IN ARAKAN

376. *Mr. Ahmed E. H. Jaffer: (a) Will the Honourable Member for Commonwealth Relations please state whether Government propose to call for a report of the recent crime wave in Arakan?

(b) To what extent has this crime wave affected the rice crop in that area and has diminished the export of supplies of rice to India?

(c) Is it a fact that the Government of Burma on the representation of the Government of India have discontinued the movement of Indian harvest labour in the crime areas pending elimination of the dacoit menace in Arakan?

The Honourable Pandit Jawaharlal Nehru: (a) Government have received a report that there was widespread disorder in some districts of Arakan.

(b) No information is available about the extent to which the rice crop has been affected but it is understood that the supply of rice to India from Burma has not been seriously affected.

(c) No, Sir. On account of the unsettled conditions in certain areas of Arakan the Government of Burma issued a warning to seasonal harvesting labourers to keep away from these areas. A press note advising seasonal labourers in India not to proceed to these unsettled areas was also issued by the Government of Bengal at the instance of the Government of India.

LORD SIMON ON CONSTITUENT ASSEMBLY

377. *Mr. Ahmed E. H. Jaffer: (a) Will the Honourable Member for External Affairs please state whether Government are aware of the speech by Lord Simon in the House of Lords on December 16th questioning the validity of the Constituent Assembly?

(b) Do Government propose to make a statement in the House on the important points raised by Lord Simon?

The Honourable Pandit Jawaharlal Nehru: (a) Since the Honourable Member has drawn my attention to the speech made by Lord Simon in the House of Lords on the 16th December, 1946, I have referred to it.

(b) No. In the course of the debate in the House of Lords the Secretary of State for India gave a reply to Lord Simon.

Mr. Sasanka Sekhar Sanyal: Is it not a fact that many constitutional authorities and experts have declared that the validity of the Constituent Assembly is unquestionable?

Mr. President: Those are all questions of opinion.

REDUCTION OF INDIA'S CONTRIBUTION TO U. N. O.

378. *Mr. Ahmed E. H. Jaffer: (a) Will the Honourable Member for External Affairs please state whether India's contribution to the United Nations Organization has been reduced? If so, by how much?

(b) What are the reasons for the reduction?

The Honourable Pandit Jawaharlal Nehru: (a) No, the actual contribution has been increased though the proportion of the total expenditure that falls to India's share has been reduced. The percentage fixed for India's contribution by the General Assembly was 4.09 per cent. for 1946 and 3.95 per cent. for 1947. India will however be required to pay approximately Rs. 36,14,250 for 1947 as against approximately Rs. 26,21,690 for 1946 as the total expenditure for 1947 is estimated at 27,740,000 dollars as against 19,390,000 dollars for 1946.

(c) The reduction in the percentage is the consequence of the admission of new members to the United Nations.

Mr. Manu Subedar: In view of the fact that India receives on the basis of 2:1 from the Allies as in reparations from Germany, have Government considered why when India has to pay the percentage should be of the order of 8:9 and 4:1 as in this case.

The Honourable Pandit Jawaharlal Nehru: I have no doubt that Government have considered these figures in the past. Personally, I can give no further information to the Honourable Member on the subject.

Shri Sri Prakasa: Does this organization publish its budget and accounts and if so could we have a copy of the last year's budget and accounts?

The Honourable Pandit Jawaharlal Nehru: I have no doubt that they publish their budgets. I myself have not seen them.

Shri Sri Prakasa: Would it not be right on the Honourable Member's part to make sure that the Rs. 30 lakhs and more he contributes are well spent?

Mr. Manu Subedar: In view of the reduction of the revenue which India will realise in this year and the following years, would Government make an effort to get this figure further reduced on the ground of the financial difficulties from which India is passing?

The Honourable Pandit Jawaharlal Nehru: I would hardly think that a desirable course for Government to adopt. India is playing an increasing role both in the United Nations Assembly as well as in international affairs. Either we play that role according to our position or we just are observer members playing an insignificant role. If we can possibly save two or three lakhs of rupees, it would be very useful no doubt as every small sum is useful in India. But I hardly think it would be in consonance with our position there to approach the United Nations for a reduction on an *ad miserere cordiam* basis.

Sir Cowasjee Jehangir: I presume that the Honourable Member has assured himself that the contribution made by India is on some equitable principle which governs all countries.

The Honourable Pandit Jawaharlal Nehru: Of course: one principle is applied.

LOSS DUE TO DECONTROL OF JUTE PRICE

379. *Mr. Sasanka Sekhar Sanyal: Will the Honourable the Commerce Member be pleased to state:

(a) whether Government are aware of the loss to which middlemen have been put as a result of decontrol of jute price;

(b) whether it is a fact that these middlemen made forward contracts on the basis of control in prices;

(c) whether it is a fact that middlemen in Bengal made such forward contracts at a time when the Government of India expressed an attitude for maintaining control of jute price;

(d) whether Government propose to avoid such loss on the part of the middlemen without disturbing the growers' opportunities for getting a good price; if so, how; and

(e) whether Government are aware that it is possible to induce the ultimate commercial consumers both within and outside the country to pay more price to the middlemen than what was actually stipulated, the margin of extra price being determined in proportion to the average difference between the price of jute prevailing at the time of control and that which it reached after such control was removed?

The Honourable Mr. I. I. Chundrigar: (a) to (e). Although Government have not received any representations to this effect, it is not unlikely that owing to the sharp rise in jute prices consequent on the withdrawal of price control, difficulties have been experienced in respect of forward contracts entered into prior to the 30th September 1945. Difficulties of this character should have been foreseen by the trade. It is understood that they are settled by the parties concerned by mutual negotiation.

Mr. Sasanka Sekhar Sanyal: May I know from the Honourable Member whether it is a fact that these commercial consumers are mostly non-Indians?

The Honourable Mr. I. I. Chundrigar: The majority of them are non-Indians. But if Indians enter into a commercial transaction with any party, it is not possible for Government to intervene and say that this contract shall not be performed.

Mr. Sasanka Sekhar Sanyal: Is it not a fact that when the Indian traders entered into commercial contracts, they did so on the basis of the control price existing at that time?

The Honourable Mr. I. I. Chundrigar: They should have anticipated the future trend of prices, and as the contracts were entered into voluntarily, both parties are entitled to the advantages as well as the disadvantages of the bargain they entered into.

Mr. Sasanka Sekhar Sanyal: May I know from the Honourable Member if at that time, the third party, namely the Government which was responsible for the control order, were themselves aware of the time when the order might be terminated?

The Honourable Mr. I. I. Chundrigar: It was wellknown that the Defence of India Rules would expire on the 30th September 1946.

DEVELOPMENT OF WATERWAYS IN INDIA

.380. *Pandit Sri Krishna Dutt Paliwal: Will the Secretary of the Department of Works, Mines and Power please state:

(a) the steps Government are taking for ensuring the unified and multi-purpose development of the water-ways of the country;

(b) the progress of the research so far made and the practical results achieved; and

(c) the anti-malarial aspects of projects in connection with waterways?

Mr. B. K. Gokhale: (a) The Government of India have set up an expert organisation, the Central Waterways, Irrigation and Navigation Commission, for initiating and pushing forward schemes of unified and multi-purpose development of the waterways of the country. The Central Technical Power Board is also investigating the question of multi-purpose developments on the Damodar. A copy of the Resolutions setting forth the detailed functions and constitution of these organisations is laid on the table. Considerable progress has already been made in conducting investigations in respect of the Damodar, Mahanadi and Kosi rivers.

(b) A good deal of research in connection with the unified and multi-purpose development of the waterways of this country has already been carried out by the Indian Waterways Experiment Station, Poona. This has resulted *inter-alia* in ensuring stability of waterways at certain points, suggested possible economies in the execution of works and evolved solutions for the safety of some important bridges with the aid of model experiments.

(c) Consideration of the anti-malaria aspects of the projects forms an integral part of those projects. Anti-malaria experts are generally associated with these schemes.

GOVERNMENT OF INDIA
DEPARTMENT OF LABOUR
RESOLUTION
New Delhi, the 5th April, 1945

No. DW101(2).—The Government of India have decided to constitute a Central Waterways, Irrigation and Navigation Commission. The Commission will act generally as a central fact finding, planning and co-ordinating organisation with authority to undertake construction work. It will be available to advise the Central, Provincial and State Governments in regard to Waterways, Irrigation and Navigation problems throughout the Country. The Commission will be a strong technical organisation designed to conduct, where necessary, surveys and investigation with a view to secure planned utilization of the water resources of the country as a whole and, in consultation with the Provincial and State Governments throughout the country, to co-ordinate and press forward schemes for the conservation, control and regulation of water and waterways and further, when so required by the Government of India, to undertake the execution of any such scheme.

2. *Composition of the Commission*—The Commission, when fully constituted, will consist of a Chairman, two full-time Members and such number of part-time members as may from time to time be found necessary. The part-time members will include Hydro-Electric Expert from the Central Technical Power Board, an expert in mechanical irrigation, and an expert in soil conservation and erosion.

The Chairman will be the Consulting Engineer for Waterways, Irrigation and Navigation with the Government of India. The Members both full-time and part-time will be fully qualified technically so as to ensure that the Commission is a highly competent technical body.

The Commission will co-opt as Members experts, when so required, on such matters as malariology and the Chief Engineers of the Provinces and States concerned with river basins under consideration.

The Commission will have the necessary technical and administrative staff to enable it to carry out its duties.

The Commission, if it so requires, may retain Consulting Engineers for consultation on the problems within its purview, and will maintain lists of Consulting Engineers suitable for consultation on various matters.

3. **Functions of the Commission*.—I. The Commission will be charged with the general responsibility for initiating, co-ordinating, and pressing forward schemes of control, regulation and utilisation of water and waterways in consultation with Provincial and State Governments concerned and to undertake, if so required, the construction of any such scheme on behalf of the Government of India.

II. In exercise of the above responsibility it will be the function of the Commission—

(a) to make all necessary investigations in regard to the control of water and waterways with a view to—

- (i) the prevention and control of floods,
- (ii) the prevention of erosion and soil conservation,
- (iii) the prevention of water logging and thur (alkalis) and reclamation of water-logged lands by drainage and pumping and of thur land,
- (iv) the improvement of drainage,
- (v) the development by appropriate Governments of flow irrigation from normal flows of rivers and from storage of dams, and of lift irrigation by pumping from tube well and deep set streams with cheap power,
- (vi) the development by the appropriate authority of hydro-electric power,
- (vii) the development of navigational facilities,

*As amended by the Labour Department's Resolution No. DW101 (55), dated the 1st October 1945.

(b) to assist Provincial or State Governments (or any river control Commissions or Boards that may be set up) in the investigation, survey and preparation of water control schemes.

(c) When so required by the Central Government, to prepare project reports outlining schemes for the control of any waterway and its waters and further to undertake construction work on any scheme on behalf of the Government of India.

NOTE.—When in the course of carrying out its functions under (a) to (c) above, any matter relating to the generation or possible generation of hydro-electric power on any waterway or any question of investigation into the possibilities of such generation arises the Commission will consult the Central Technical Power Board in regard to any such matter so as to ensure that interests of hydro-electric development are not overlooked.

(d) organise and co-ordinate the procurement and publication of statistical information relating to—

(i) waterways, i.e., slopes, cross-sections in normal and flood flows, silt charge, meander characteristics, catchment-characteristics, e.g., topography, geology, vegetable cover, land, use, etc.,

(ii) tidal rivers,

(iii) rainfall and temperatures (these in conjunction with the Meteorological Department) and gauges and discharges of rivers, with a view to secure complete hydrological record, obtain rainfall run-off relation slips and trends, and determine maximum floods, rate and volume of flood flows, their frequency, etc., for purposes of irrigation, drainage and hydro-electric development,

(iv) silting of reservoirs,

(v) sub-soil water resources of the various regions of India with a view to investigating and pressing forward schemes of utilising subsoil water for irrigation,

(vi) behaviour of hydraulic structures, such as dams, weirs, navigation locks, etc., under actual working conditions in respect of strength and durability of structure, and foundation materials, cracks, joints, temperature variation, scour and erosion above and below the works, uplift pressure, etc., and

(vii) standardisation of methods of observation and record in regard to (i) to (vi) above, and the instruments required for such observations.

(e) to advise the Government of India and the Crown Representative on the principles that should be laid down to govern the settlement of disputes between Provinces and/or States as to water rights in so far as such rights appertain to water required for flood control, irrigation or navigation purposes, and the effect that any flood control, irrigation or navigation project may be likely to have on the interests of other Provinces or States, and on the interpretation of any agreement relating to flood control, irrigation and navigation between such Provinces and/or States.

NOTE.—Before tendering any advice on disputes as to water rights, the Central Waterways, Irrigation and Navigation Commission should consult the Central Technical Power Board as to these rights in so far as they may appertain to the generation of hydro-electric power.

(f) to initiate and devise schemes for the training of Indian Engineers in the specialised fields of Waterways, Irrigation and Navigation.

(g) to advise the Government of India and the Crown Representative in regard to the settlement of priorities (where such settlement is necessary for procurement of plant and materials) as between various flood control, irrigation and navigation projects.

(h) to advise the Government of India and the Crown Representative in regard to any other matter that may be referred to it in connection with Waterways, Irrigation and Navigation.

ORDER.—Ordered that this Resolution be communicated to all Provincial Governments, all Chief Commissioners, the several Departments of the Government of India [including Financial Adviser, War and Supply and Financial Adviser (Communications), the Additional Financial Adviser, Supply Finance], the Political Department, the Private and Military Secretaries to His Excellency the Viceroy and the High Commissioner for India.

Ordered also that the Resolution be published in the *Gazette of India*, for general information.

H. C. PRIOR, Secy.

GOVERNMENT OF INDIA
DEPARTMENT OF LABOUR
RESOLUTION

New Delhi, the 8th November, 1944.

No. E.B.-6.—The Government of India have decided to constitute a Central Technical Power Board. This Board will act generally as a Central Planning Organisation with authority to undertake construction work. It will be available to advise the Central, Provincial and State Governments in regard to the universally accepted policy of encouraging, planning and pressing forward the widespread development of public electricity supply

throughout the country. The Board will be a strong technical organisation designed to collect ideas, conduct surveys, and prepare outline schemes for electrical development in consultation with Provincial and State Governments and further, when so required by the Government of India, to undertake the execution of any such scheme.

2. *Composition of the Board.*—The Board, when fully constituted, will consist of a Chairman, two full time members, three part time members, and such number of *ex-officio* members as Government may from time to time find necessary. Power will, however, be retained to increase the number of full-time and part-time members if circumstances so require.

The Chairman will be the Electrical Commissioner with the Government of India. The two full-time members and all part-time members will be fully qualified technically. The posts the holders of which will be *ex-officio* members of the Board, will be notified in the *Gazette of India* and will be posts such as those of the Industrial Adviser or the Agricultural Adviser to the Government of India.

The Board will have a staff of engineers and clerical establishment. The headquarters of the Board will be at Calcutta for the present.

*3. *Functions of the Board.*—1. The Board will be charged with the general responsibility for initiating, co-ordinating and pressing forward schemes of electric power development and utilisation throughout the country in consultation with the Provincial and State Governments concerned and to undertake, if so required, the construction of any such scheme on behalf of the Government of India.

2. In exercise of the above responsibility it will be the function of the Board :—

(a) To make all surveys and investigations considered necessary with a view to the best use and development of electric power throughout India and in particular to—

(i) to survey the electric power requirements of any region which would appear to exhibit *prima facie* the need of an electricity supply scheme but in which no comprehensive plan appears to be in hand or in which supply is not already available or provided at economic cost;

(ii) to investigate and bring to light the prospects for the utilisation of electric power in any region where it would appear that the economic development of that region could benefit thereby;

(iii) to maintain contact with all Provincial or State Governments and assist such Governments with advice on methods for the further development of electric power throughout their territories;

(iv) to encourage in collaboration with Central, Provincial or State Governments the developments of power irrigation and rural electrical development wherever such schemes can be expected to assist the economic condition of the agriculturists and rural communities.

(b) To assist Provincial or State Governments in regard to the investigation, survey and preparation of schemes of power development (whether thermal, diesel or hydro-electric) for particular areas or regions;

(c) when so required by the Central Government, to prepare project reports outlining electric power development schemes and further to undertake construction work on any such scheme on behalf of Government of India.

NOTE.—When in carrying out its functions under (a) to (c) above any question of generation of hydro-electric power on any waterway or any question of investigation into the possibilities of such generation arises, the Board will consult the Central Waterways, Irrigation and Navigation Commission in regard to any such matter so as to ensure that the requirements of flood control, promotion of flow and lift irrigation and navigation are not overlooked.

(d) to review and lay down for the whole of India standard voltages and practices for generation, transmission and distribution of electricity. Where proposals are made which depart from these standards, the attention of the authorities concerned to be called to the disadvantages of non-standard apparatus;

(e) to initiate the broad lines of research programmes desirable for the requirements of the special conditions of electric power development in India;

*As amended by Labour Department's Resolution No. D.W.-101 (55), dated the 1st October 1945.

- (f) to initiate propaganda for the education of the public in the use of electricity;
- (g) to initiate and devise schemes for the training of Indian engineers in the specialised field of public electricity supply;
- (h) to advise—the Government of India and the Crown Representative on the principles that should govern the settlement of disputes between provinces and/or States relating to water rights in so far as these rights appertain to hydro-electric power and of disputes relating to transmission of power across Provincial or State borders or sharing of electrical power between Provinces and/or States, and on the effect that any hydro-electric project proposed by one Province or State may be likely to have on the interests of other Provinces or States, and on the interpretation of any agreement relating to hydro-electric or thermal power between such Provinces and States.

NOTE.—Before tendering any advice on disputes as to water rights, the Central Technical Power Board should consult the Central Waterways, Irrigation and Navigation Commission, as to these rights in so far as they appertain to flood control, irrigation and navigation.

- (i) To advise the Government of India in regard to any other matter that may be referred to the Board in connection with hydro-electric or thermal power development."

4. *Relations with the Electrical Commissioner's Office.*—The relationship between the Central Technical Power Board and the Electrical Commissioner's Office will necessarily be very close. The Board will become the Central planning authority as indicated in paragraph 3 above. The Electrical Commissioner's Office will for the time being remain as at present constituted and its functions while continuing to be mainly those concerned with war-time problems in connection with electricity supply including the procurement of heavy plant from overseas, will also include that of being the agency charged with maintaining all statistical data relating to the generation, supply and distribution of electricity and with giving general advice to the Central, Provincial and State Governments on the administration and control of electric utilities (including recommendations on model conditions for electric licenses, etc.).

The Government of India will consider to what extent the personnel of the Electrical Commissioner's Office can be utilised in posts in the Central Technical Power Board in addition to their existing duties.

5. *Division of subjects in the Board's organisation.*—The Board's organisation will be divided into four sections as follows, the first two sections having several sub-divisions to deal with various subjects:—

- (a) Power system planning, covering:—
- (i) hydro-power station sites, hydro-electric surveys, etc.
 - (ii) power transmission,
 - (iii) thermal power station investigations.
- (b) Power utilisation, covering:—
- (i) power requirements of and supplies to electro-chemical and metallurgical industries.
 - (ii) power requirements of and supplies to industrial power and mining,
 - (iii) power requirements of and supplies to rural electrification and power irrigation.
 - (iv) standards, research and the development of electrical manufactures.
- (c) Public relations and propaganda.
- (d) Secretary, finance and treasurer.

ORDER.—Ordered that this Resolution be communicated to all Provincial Governments, all Chief Commissioners, the several Departments of the Government of India [including Financial Adviser, War and Supply, and Financial Adviser (Communications), the Additional Financial Adviser, Supply Finance], the Political Department, the Private and Military Secretaries to His Excellency the Viceroy and the High Commissioner for India.

Ordered also that the Resolution be published in the *Gazette of India*, for general information.

Pandit Sri Krishna Dutt Paliwal: Could the Honourable Member say whether any projects, referred to in part (c) have been finalised?

Mr. B. K. Gokhale: No project has yet been finalised.

Mr. Sasanka Sekhar Sanyal: What about the Waterways Board?

Mr. President: What is the question?

Mr. Sasanka Sekhar Sanyal: What about the Waterways Board?

Mr. B. K. Gokhale: It is the Central Waterways, Irrigation and Navigation Commission. I never said the Waterways Board.

Mr. Sasanka Sekhar Sanyal: Not only the present Government of India but also previous Governments from time to time have engaged themselves on this question and they also announced from the floor of the House that the matter was engaging their attention, namely, the formation of a Central Waterways Board.

Mr. B. K. Gokhale: This is exactly the Board which was set up. It is called the Central Waterways, Irrigation and Navigation Commission.

Mr. Sasanka Sekhar Sanyal: What is the composition of this Commission?

Mr. B. K. Gokhale: There is a Chairman who is also the Consulting Engineer of the Government of India—Rai Bahadur Khosla. Then there are two Members—one is an Irrigation member and the other a Navigation member. Of course there is the possibility of additional members. There may be a Hydro-Electric member.

Mr. Sasanka Sekhar Sanyal: Who advises this Commission in the matter of public health?

Mr. B. K. Gokhale: This Commission consults all different Departments of Government. On matters of public health, I presume they consult the Director of Public Health.

Mr. Sasanka Sekhar Sanyal: When was this Commission started?

Mr. B. K. Gokhale: On the 5th April 1945.

Mr. Sasanka Sekhar Sanyal: What is the connection of this Commission with the provinces?

Mr. B. K. Gokhale: This is an All-India Commission which generally gives expert advice to Provinces when they ask for it.

Mr. Sasanka Sekhar Sanyal: Since the Honourable Member says this Commission was started in April 1945, what is the position with regard to the question of setting up a Central Waterways Board, the contemplation of which was announced by the then Finance Member, Sir Archibald Rowlands on the floor of this House in March 1946?

Mr. B. K. Gokhale: I have no information about what Sir Archibald Rowlands had stated.

Mr. Sasanka Sekhar Sanyal: Will the Honourable Member consider the question of examining this matter?

Mr. President: Next question.

EXCHANGE FOR THE PURCHASE OF AEROPLANES AND SHIPS FROM U. K. AND U. S. A.

381. ***Mr. Mann Subedar:** Will the Honourable the Commerce Member please state how much exchange have Government given for the purchase of (i) aeroplanes and (ii) ships from the United Kingdom and the United States of America (separately) during the years 1944/45, 1945/46 and 1946/47 (upto the last date for which figures are available)?

The Honourable Mr. I. I. Chundrigar: I presume the Honourable Member wants to know the value of aeroplanes and ships actually imported from the United Kingdom and the United States of America. I lay on the table a statement giving the required figures for the years 1944-45, 1945-46 and the six months April—September 1946. Figures for the period later than September 1946 are not yet available.

Statements showing the value of Imports of Aeroplanes (including parts thereof) and Ships (and parts including launches and boats) from the United Kingdom and the United States of America during the years 1944-45, 1945-46 and 1946-47 (for first six months).

	Aircrafts and parts of aircraft			Parts of ships including launches and boats		
	1944-45	1945-46	April—September, 1946	1944-45	1945-46	April—September, 1946
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	83,747	9,65,656	7,92,392	9,915	9,289	7,13,404
United States of America.	3,84,459	5,64,338	6,48,241	27,30,788	19,35,609	19,022

Mr. Manu Subedar: May I know whether the Honourable Member has made any attempt to restrict the amount of exchange given out for the purchase of aeroplanes to these companies who are merely applying for a license and waiting for the decision on them? Because in the event of their not getting the license the exchange will have gone wasted?

The Honourable Mr. I. I. Chundrigar: In the event of their not getting a license, the exchange will not go waste. Those aeroplanes will be purchased by the companies who will get the license.

DAMAGE TO PROPERTY IN HAZARA DISTRICT AS A RESULT OF OUTRAGES BY THE NANDIHAR TRIBESMEN.

382. *Sardar Mangal Singh: Will the Honourable Member for External Affairs please state:

(a) the extent of damage done to the property of the inhabitants of the Hazara District as a result of outrages committed by the Nandihar tribesmen in December 1946;

(b) the estimated amount of damage and whether the inhabitants of villages concerned or the owners of the property looted and destroyed were consulted in arriving at this estimate;

(c) the amount of fine imposed on and recovered from these tribesmen; and

(d) whether this fine was distributed to the sufferers and destitutes?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). The Government of India have no precise information about the extent of the material damage, but it is known that half the bazaar at Battal and the entire bazaar at Oghi were destroyed by fire. In addition, a number of shops were looted at Garhi Habibullah and Jallu during the communal disturbances which supervened on the original raids. The inhabitants of the villages concerned and the owners of the property looted were consulted and their estimate of the value of the damage is approximately Rs. 3,50,000. This figure is however believed to be exaggerated.

(c) The fine imposed was Rs. 75,000 in cash and 75 rifles, of which Rs. 53,350 and 49 rifles have so far been recovered. The balance is to be recovered this month.

(d) When collected in full the question of distribution among sufferers will be considered in consultation with the Local Administration.

Sardar Mangal Singh: May I know from the Honourable Member whether Government are taking any steps to recover this fine?

The Honourable Pandit Jawaharlal Nehru: I have said that the greater part of it has been recovered. The balance we hope to recover in a few days time.

Sardar Mangal Singh: Will the Honourable Member please state whether the hostages have been released?

The Honourable Pandit Jawaharlal Nehru: I have no information about that.

DIFFERENTIATION IN VALUATION BETWEEN A PROPRIETORY AND A MUTUAL LIFE INSURANCE COMPANY

383. *Shri D. P. Karmarkar: (a) Will the Honourable Member for Commerce be pleased to state whether Government are aware that the Superintendent of Insurance makes a difference between a Proprietary Life Insurance Company and a Mutual Life Insurance Company in favour of the former in acting under Section 22 of the Insurance Act, 1938 relating to the investigation and valuation of the Company by an actuary?

(b) What are the reasons for this difference?

The Honourable Mr. I. I. Chundrigar: (a) No.

(b) Does not arise.

Shri D. P. Karmarkar: Will the Honourable Member please state whether a difference of this kind was made in the case of the valuation in 1945 of the Aundh Mutual Insurance Company?

The Honourable Mr. I. I. Chundrigar: No. The position is that whenever a valuation is made of an insurance company it is sent to the Superintendent of Insurance and if he believes that the valuation is not made on a proper basis under Section 22 of the Insurance Act, he has the right of getting a revaluation made by a competent officer. If the company is a proprietary company and a certain deficit is disclosed, the proprietors make up the deficit. If it is a mutual life insurance company and their assets are insufficient, then naturally the mutual life insurance company has to be declared insolvent but that depends on the assets of a company. No distinction whatever is made between a proprietary life insurance company and a mutual life insurance company under Section 22.

Shri D. P. Karmarkar: May I know whether, in view of the difference which the Honourable Member said was made between mutual and proprietary life insurance companies, such difference was made with a view to assessing whether the valuation is valid?

The Honourable Mr. I. I. Chundrigar: The principles of valuation are the same in both cases.

Shri D. P. Karmarkar: Will the Honourable Member please state as to whether such distinction is not prejudicial to the growth of mutual life insurance companies and partial to the growth of proprietary insurance enterprise?

The Honourable Mr. I. I. Chundrigar: It is not, because any insurance company doing business must have assets enough for the purpose of securing the interest of its policyholders.

Shri D. P. Karmarkar: Is it obligatory under section 22 of the Insurance Act to make such distinction or is the Superintendent of Insurance exercising his discretion in the matter?

The Honourable Mr. I. I. Chundrigar: The Superintendent of Insurance makes no distinction whatsoever. The principle under Section 22 is that if the company is insolvent, then it has got to be wound up.

UNDERTAKING REQUIRED BY THE SUPERINTENDENTS OF INSURANCE FROM THE INSURER BEFORE ISSUING AN ORDER UNDER SECTION 22 OF INSURANCE ACT

384. *Shri D. P. Karmarkar: (a) Will the Honourable Member for Commerce be pleased to state whether it is a fact that the Superintendent of Insurance requires an undertaking on the part of the Insurer that his order will be carried out before issuing an order under section 22 of the Insurance Act?

(b) If so, why is such an undertaking required?

The Honourable Mr. I. I. Chundrigar: (a) No.

(b) Does Not arise.

POPULATION OF EXCLUDED AND PARTIALLY EXCLUDED AREAS

385. *Mr. Tameuddin Khan: (a) Will the Honourable the Leader of the House be pleased to state the names, areas and total populations of the different units of territories that are at present treated as (i) Excluded Areas and (ii) Partially Excluded Areas?

(b) What are the numbers of Tribal people and others in each of these units?

(c) What are the numbers of Hindus, Muslims, Christians and others in the population of each of these units?

(d) Is it intended to take any steps to bring about any administrative changes in any of these units?

The Honourable Pandit Jawaharlal Nehru: (a) to (c). A statement containing the information so far as is readily available is placed on the table of the House.

(d) I invite the attention of the Honourable Member to my reply to Prof. N. G. Ranga's starred question No. 287 on the 18th February, 1947.

	Area Sq. Miles	Total population	Hindus	Muslims	Christians	Tribes	Others
EXCLUDED AREAS							
<i>Madras</i> —							
The Laccadive Islands (including Minicoy) and the Amindivi Islands.	10	18,355	72	18,277	1		5
<i>Bengal</i> —							
The Chittagong Hill Tracts	5,000	247,058	4,881	7,270	60	232,392	1,450
<i>The Punjab</i> —							
Spiri and Lehaul in the Kangra District.	4,6952	11,700*					
<i>Assam</i> —							
The North-East Frontier							
Sadiya	2,309	60,118	18,506	864	486	39,974	288
Balipara, and	571	6,512	2,588	61	28	3,812	28
Lekhimpur)	3642	4,388*	...	...	...	...	...
Tracts							
The Naga Hills District	4,398	189,641	4,198	531	9	184,766	137
The Lushai Hills District	8,148	152,786	2,447	101	...	147,042	3,190
The North Cachar Hills Sub-division of the Cachar District.	1,888	37,861	5,306	432	52	31,529	42
<i>The North-West Frontier Province</i> —							
Upper Tanawal in the Hazara District			Information not readily available.				

PARTIALLY EXCLUDED AREAS.

Madras—

The East Godavari Agency and so much of the Visagapatnam Agency as is not transferred to Orissa under the provisions of the Government of India (Constitution of Orissa) Order, 1936.

Bombay—

In the West Khandesh District, the (1) Shaheda, (2) Nandurbar and (3) Taloda Taluqs, (4) the Navapur Petha and the (5) Akrani Mahal and (6) the villages belonging to the following Mehwassi Chiefs, namely, (1) The Parvi of Kathi, (2) The Parvi of Nal, (3) The Parvi of Singpur, (4) The Walvi of Geohali, (5) The Wassawa of Chikhli and, (6) The Parvi of Navalpur.

The Satpura Hills reserved forest areas of the East Khandesh District—

(1) The Kalvan Taluk and

(2) Peint Petha of the Nasik District.

3,875	271,569	164,075	3,410	6,876	97,360	6
3,116	221,487	79,675	407	683	140,731	2
1	480	113,949	5,317	73	41,323	415
2	613	133,336	7,491	674	66,356	538
3	257	67,367	1,371	233	43,711	199
4	374	64,661	1,363	339	55,717	32
5	926	20,236	45	153	19,229	20
6	963	44,140	1,593		37,795	190
	524	74,402	913	9	37,247	259
	436	57,335	535	33	12,251	7

* Figures supplied by Provincial Government in 1935. Distribution available according to communities not readily available

	Area Sq. miles	Total population	Hindus	Muslim	Christians	Tribes	Others
PARTIALLY EXCLUDED AREAS—contd.							
<i>Bombay—contd.</i>							
(1) The Dahenu and	399	101,850	58,275	2,006	535	39,960	1,074
(2) Shahapur Taluks and	607	80,345	50,315	2,136	63	27,559	272
(3) Mokhada and	263	36,560	4,996	344	10	30,176	34
(4) Umbergeon Pethas of the Thana District.	243	92,162	28,826	2,018	212	59,378	1,728
The Dohad Taluk—							
(1) And the Jhalod Mahal	338	122,146	21,962	10,791	1,660	86,564	1,179
(2) Of the Broach and Panch Mahals District.	2,269	67,573	9,668	1,443	898	55,263	302
Bengal—							
The Darjeeling District	1,192	376,369	178,496	9,125	2,599	141,301	44,848
The Dewanganj—							
(1) Srirardi . . . . .	..	118,265	10,224	107,938	..	30	73
(2) Nalitbari . . . . .	..	112,872	13,687	97,731	18	1,436	..
(3) Haluaghat . . . . .	..	111,776	35,627	67,029	76	9,041	3
(4) Duregapur	164	98,066	21,923	51,420	11	20,404	8

(5) Kalmakanda and	339	95,368	24,142	57,873	1,075	12,261	17
(6) Police Stations of Mymensingh District.	339	69,999	25,533	138,410	353	5,639	..
The United Provinces—							
The Jaunsar-Bawar Pargana of the Dehra Dun District.	483*	56,000*			..	..	..
The portion of the Mirzapur District south of the Kaimur range.	1,767*	202,000*	..	..		..	..
Bihar—							
The Choia Nagpur Division	27,112	7,516,349	3,617,217	547,844	12,042	3,321,224	18,022
The Santal Parganas District	5,480	2,234,497	838,166	262,836	2,509	1,129,885	1,101
The Central Provinces and Berar—							
In the Chanda District the (1) Ahiri Zamindari in the Sironcha Tahsil and the Dhanora, Dudmala, Gewardhe, Jharsapara, Khutgaon, Kotgal, Muraingaon, Palasgarh, Rangi, Sirsundi, Sonsari, Chandala, Gilgaon, Pal-Muranda and Potegaon Zaminaris in the Garohiroli Tahsil.	2,660*	40,450*		..		30,294*	..
	1,413	68,863	No separate	statistics available.			
The Hattai, Gorakghat, Gorpani, Batkagarh, Bardagarh, Partapgarh (Pagara), Almod and Sonpur Jégirs of the Chhindwara District, and the portion of the Pachmarhi Jagir in the Chhindwara District.		77,491*				59,067*	..

* Figures supplied by Provincial Government in 1935. Distribution by communities not readily available.

	Area sq. miles	Total population	Hindus	Muslims	Christians	Tribes	Others
PARTIALLY EXCLUDED AREAS—Contd.							
<i>The Central Provinces and Berar—Contd.:</i>							
The Mandla District	5,087	504,580	191,657	7,066	916	304,099	942
The Pendra, Kenda, Matin, Lapha, Uprora, Chhuri and Korba Zamindaris of the Bilaspur District.	3,549	Separate statistics not available.	Separate statistics not available.				
The Aundhi, Korsche, Panaberes and Ambagarh Chauki Zamindaris of the Drug District.	1,124	113,373	Separate statistics not available.				
The Bihar Tahsil of the Balaghat District.	1,556	112,607	46,774	986	609	64,210	28
The Melghat Tahuk of the Amraoti District.	1,546	46,929	12,048	1,215	384	33,249	38
The Bhainsdehi Tahsil of the Betul District.	1,340	104,435	42,012	1,587	50	60,566	230
Accom—							
The Garo Hills District	2,162	233,569	14,307	10,398	29	196,474	361
The Mikir Hills (in the Nowgong and Sibsagar Districts).	4,387	149,746	(Mostly tribes—distribution not readily available).				
The British portion of the Khasi and Jaintia Hills District other than the Shillong Municipality and Cantonment.	2,445*	109,926*					

<i>Orissa—</i>									
The District of Angul									
	391	165,866	151,964	397	187	13,308	10		
The District of Sambalpur									
	4,733	1,182,622	939,677	5,210	5,286	232,095	254		
The Areas transferred from the Central Provinces under the provisions of the Government of India Constitution of Orissa) Order, 1936.									
The Ganjam Agency Tracts									
	4,373	463,076	36,124	192	2,712	374,029	19		
The areas transferred to Orissa under the provisions of the aforesaid Order from the Vizagapatam Agency in the Presidency of Madras.									

* Figures supplied by Provincial Government in 1935. Distribution by communities not readily available.

RESERVATION OF COASTAL TRADE FOR INDIAN SHIPPING

386. *Maharajkumar Dr. Sir Vijaya Ananda: Will the Honourable the Commerce Member be pleased to state whether any steps have been taken to give effect to the recommendations of the shipping Sub-committee of the Reconstruction Policy Committee as regards the coastal trade to be reserved for Indian Shipping?

The Honourable Mr. I. I. Chundrigar: No. The report of the Reconstruction Policy Sub-committee on Shipping has only just been received, and will have to be considered in the first instance by the full committee.

INDIANIZATION OF THE POST OF CEYLON LABOUR AND EMIGRATION AND ASSISTANT LABOUR COMMISSIONER AT TRICHINOPOLY

†387. *Sri M. Ananthasayanam Ayyangar: Will the Honourable the Leader of the House be pleased to state:

(a) whether Government have received any representation regarding Indianisation of the post of Ceylon Labour and Emigration and Assistant Labour Commissioner at Trichinopoly, South India;

(b) whether it is a fact, that the contract of the present incumbent expires now;

(c) whether Government propose to appoint a suitable Indian to the post without renewing the contract of the present incumbent, Mr. Henderson; and

(d) whether Government are aware of the complaints from the Indians, especially labourers at Ceylon about the unsatisfactory manner in which the present incumbent is representing their interests; what steps Government propose to take to remedy this?

The Honourable Pandit Jawaharlal Nehru: (a) Yes.

(b) Government have no information as appointments to these posts are made by the Government of Ceylon.

(c) The Government of India can make no appointment to the post of Assistant Emigration Commissioner for Ceylon which is now held by Mr. Henderson as he is employed by the Government of Ceylon and not by the Government of India.

(d) No such complaints have come to the notice of Government. Enquiries are however, being made.

EXPEDITIONS INTO TRIBAL AREAS AND ACTION AGAINST NANDIHAR TRIBES

388. *Haji Abdus Sattar Haji Ishaq Seth: Will the Honourable Member for External Affairs be pleased to state:

(a) the number of expeditions sent out into the tribal area since the last session of the Assembly with the reasons for sending them and the results achieved;

(b) the details of the action taken against the Nandihar tribes; and

(c) the details of action taken in the Frontier as reprisal for the hostile reception accorded to the Honourable Member for External Affairs in that area?

The Honourable Pandit Jawaharlal Nehru: (a) No expedition has been sent into the tribal areas since the last session of the Assembly. A military force was assembled at Oghi in the Hazara District in January in order to exact reparation for the outrages committed by the Nandihar tribes in December last. The force did not however advance into tribal territory as the tribes complied substantially with the terms imposed by Government. The force has now been dispersed.

(b) Copies of the various Press Communiques issued in this connection are placed on the Table for the Honourable Member's information. For further

†Answer to this question laid on the table, the questioner being absent.

details his attention is invited to my reply to the Adjournment Motion moved by Mr. Siddiq Ali Khan on the 5th February.

(c) No reprisals were taken. A fine of Rs. 5,000 was imposed on the Khyber tribes for assault and mis-behaviour during the visit to the Khyber Agency; such behaviour constitutes a breach of the agreements with these tribes under which they are responsible for the maintenance of peace and order on the Government roads. As the Honourable Member is doubtless aware an enquiry is now proceeding into the conduct of a Political Officer in connection with the incidents which occurred during my visit to the Malakand Agency.

PRESS COMMUNIQUE

MILITARY OPERATION AGAINST NANDIHAR TRIBES. NO INTENTION OF OCCUPYING ANY TERRITORY.

A recent Government Communique announced the despatch of a military force to Oghi in Hazara District in the N.-W. F. P. to enforce punishment in the form of a fine in cash and rifles on the Nandihar tribes for the outrages committed by them in the District in December 1946. On the 4th January 1947 the terms were announced to a Jirga at Oghi by the Force Commander. These terms were:

(a) A cash fine of Rs. 75,000.

(b) A fine of 75 rifles.

(c) The surrender of 40 hostages for a period as an earnest of good behaviour.

Owing to severe cold and heavy snow the last date for compliance with terms was extended to the 12th January, and further developments are now awaited.

Reports have appeared in the Press suggesting that the object of these operations is the permanent occupation of the Nandihar Valley or other part of tribal territory. Other accounts have exaggerated the amount of the fine in money and rifles and in reference to the latter have hinted at wholesale disarmament of the Nandihar tribes. All this is far removed from the facts. There is no intention of occupying the Nandihar Valley or any other tribal territory.

The object of the present operation is to exact just reparation for the damage and wanton outrages committed by these tribes on the property and persons of innocent inhabitants of Hazara District. Provided the terms are complied with, no punitive action by the troops will be necessary. If not then appropriate measures will have to be taken to exact reparation. Raids into peaceful districts with murder, arson and loot as their objectives cannot be tolerated or allowed to go unpunished.

Finally, there is no question of the terms being vindictive or beyond the capacity of the tribes to meet. Nandihar and its tributary valleys are well cultivated, and the population number about 1,00,000 a large proportion of whom are armed. The fines imposed represent no more than a fraction of the annual income of the tribesmen in money and of their stock of rifles and are less in value than one half of the estimated damage to property alone caused by the raids.

EXTERNAL AFFAIRS DEPARTMENT;
New Delhi, January 12, 1947.

PRESS COMMUNIQUE

A military force has been concentrated at Oghi, in Hazara district, North-West Frontier Province, to enforce punishment in the form of a fine in cash and rifles on the Nandihar tribes for their incursion into Hazara district, the murder of innocent villagers and the destruction of the bazars of Battal and Oghi. The fine was announced to the tribes on January 4th and they have been given a week to pay it, failing which it will be necessary to take measures to enforce payment.

EXTERNAL AFFAIRS DEPARTMENT;
New Delhi, January, 8, 1947.

PRESS COMMUNIQUE

Preliminary reports indicate that the Nandihar Tribal Jirga is willing to comply with the terms announced in Sunday's Communique, in which case military operation would be unnecessary.

EXTERNAL AFFAIRS DEPARTMENT;
New Delhi, January, 13, 1947.

As announced in a recent press communique on the situation on the Hazara border, the period allowed to the Nandihar tribes for compliance with Government's terms was extended to **January, 12**.

A report has now been received that a fully representative jirga met the Force Commander at Oghi on that date with very satisfactory results. Rs. 28,000 was handed over in cash and payment of the balance of the fine of Rs. 75,000 was promised within seven days while of the 40 hostages 27 were surrendered.

In view of this earnest of the tribes' good intentions, the Force Commander gave the jirga another seven days to fulfil the balance of the terms. The jirga undertook full compliance by that date.

EXTERNAL AFFAIRS DEPARTMENT;
New Delhi, January, 15, 1947.

PRESS COMMUNIQUE

On January 12, the Nandihar tribal Jirga was given a further period of 7 days in which to comply with the terms imposed by Government for the outrages committed by them in Hazara district in December.

On January 19, the tribal Jirga met the Force Commander and handed over a further sum of Rs. 25,250, making a total of Rs. 53,350 out of the cash fine of Rs. 75,000 imposed. Forty-nine rifles and five more hostages were also surrendered.

Although this falls short of full compliance, it is evident that the tribes are repentant and have been taught a salutary lesson and, as leading Maliks have accepted responsibility for compliance with the balance of the terms, it has been decided that the military force concentrated at Oghi should now be dispersed.

EXTERNAL AFFAIRS DEPARTMENT;
New Delhi, January, 22, 1947.

INDIAN NATIONALS HOLDING TITLES

389. *Shri Sri Prakasa: Will the Honourable the Leader of the House be pleased to state:

(a) the number of Indian Nationals who hold various titles and honours awarded by His Majesty the King and His Excellency the Viceroy; and

(b) the number of persons who renounced the various titles in the year 1946, and the titles they so renounced?

The Honourable Pandit Jawaharlal Nehru: (a) In view of the very large number of titles and honours awarded in past years the task of collecting the information would involve considerable labour. Government therefore do not consider that the usefulness of the information so collected is commensurate with the labour involved.

(b) The necessary information is not available with the Government of India. Names of persons renouncing honours and titles have appeared from time to time in newspapers but are not intimated to the Government of India.

Seth Govind Das: In view of the fact that the Government have discontinued this half-yearly shower of titles, will the Government think it desirable to ask the title-holders to return their titles, so that there may not be any title-holders left in this country?

Mr. President: It is not a question for the Honourable Member to answer.

Shri Sri Prakasa: In view of the fact that the Provincial Civil Lists print a list of persons who hold various titles, does the Honourable Member consider the task really formidable for his office to count up the number from the various civil lists of the provinces and place the list on the table of the House?

The Honourable Pandit Jawaharlal Nehru: From what the Honourable Member says it should be quite easy for him to go to the library and find out himself.

Shri Sri Prakasa: Would the Honourable Member kindly tell the House as to the manner in which the various titles have been renounced? Whether any titles were sent back by insured post? And if so, what were they valued at?

Mr. President: Order, order. Next question.

FURNITURE LYING EXPOSED IN COMPOUNDS OF BUNGALOWS OF NEW DELHI.

390. *Shri Sri Prakasa: Will the Secretary of the Works, Mines and Power Department be pleased to state:

(a) if the attention of Government has been drawn to a large mass of furniture lying exposed to wind and weather in the joint compound of bungalows Nos. 5 Firozshah Road and 5 Canning Lane in New Delhi; and

(b) the purpose for which the furniture has been stocked there?

Mr. B. K. Gokhale: (a) Yes.

(b) The furniture in question is unserviceable and has been moved to this place for disposal by public auction.

Shri Sri Prakasa: Will the Honourable Member kindly go and see the furniture himself and find out whether they are really quite unserviceable? Is the Honourable Member aware that in many cases they are better than the furniture supplied in our bungalows?

Mr. B. K. Gokhale: The matter will be considered.

Shri Sri Prakasa: Is it the object of Government to place them so exposed in the open compound in order that they may further depreciate in value, so that the Government may ultimately realise by auction a very small amount?

Mr. B. K. Gokhale: This is a matter within the discretion of the Chief Engineer and, if he considers, that the furniture is unserviceable, Government do not think it necessary to question his opinion. We have been receiving several complaints about unserviceable furniture, but if the Honourable Member would like to have some pieces out of this furniture, I can arrange it.

Shri Sri Prakasa: Is not the Chief Engineer under the Honourable Member?

(No answer.)

ACCIDENTS DUE TO ELECTRIC SHOCKS ON PUBLIC ROADS

391. *Shri Sri Prakasa: Will the Secretary of the Works, Mines and Power Department be pleased to state:

(a) if any statistics are kept of accidents by electric shock on public roads and inside private houses;

(b) the number of deaths that have taken place in the year 1946 from shocks by direct current and alternative current of electricity;

(c) if there is any Government House in the country which has alternating current of electricity for lights and fans and domestic purposes generally; and

(d) the reason why direct current is permitted in capital towns and for residences of high personages, and alternating currents for other towns and the general public?

Mr. B. K. Gokhale: (a) According to the Indian Electricity Act and the Rules, all accidents by electric shock have to be reported to the Provincial Electrical Inspectors and statistics of such accidents are usually published by Provincial Governments in their Annual Reports.

(b) Except Panth Piploda and the Andamans and Nicobar Islands for which figures are not readily available the number of deaths in the year 1946 from alternating current was 148 including seven animals, and the number of deaths from direct current was five.

(c) A number of Government houses in India are supplied with alternating current for lights and fans.

(d) There is no question of permitting either variety because both are legal. But direct current is now generally regarded as obsolete for modern electric public service.

Shri Sri Prakasa: Could the Honourable Member tell us the voltage of the current supplied to the Government House at Nainital and whether it is not a fact that from 220 it was reduced to 110 for the safety of Their Excellencies?

Mr. B. K. Gokhale: I have no information, Sir.

Shri Sri Prakasa: Could the Honourable Member seriously consider the desirability of protecting the lives of ordinary citizens by giving only direct current in private houses as is done in the case of government houses? How is it that the Viceroy's House in New Delhi has direct current and not alternating current? If it is a fact, as the Honourable Member says, that direct current is obsolete, how does the Viceroy manage to light his house?

Mr. President: Order, order.

Mr. B. K. Gokhale: According to my information, about 94 per cent. of the current in India is alternating current and only about six per cent. is direct current. For small installations and in old days it was easier and cheaper to put direct current. But, as the load increases and as the area of supply increases, direct current becomes more expensive, and it is cheaper and more satisfactory from every point of view to put in alternating current. It is possible that in some cases direct current was put in. But now everything is switched on to alternating current, as and when feasible. It is not a fact that alternating current is more dangerous. In fact, if safety precautions are not taken, both are equally dangerous.

Mr. Ahmed E. H. Jaffer: What are the seven animals that died?

Mr. President: Order, order.

POST-WAR RECONSTRUCTION DEPARTMENT IN AJMER-MERWARA.

392. *Pandit Mukut Bihari Lal Bhargava: (a) Will the Honourable Member for External Affairs be pleased to state when the Post-war Reconstruction Department was created in the province of Ajmer-Merwara and what annual expenditure was and is being incurred by Government on the said Department?

(b) Does the said Department still exist? If so, for what reasons the said Department has not been abolished along with the Planning and Development Department of the Government of India, as has been done in other provinces?

The Honourable Pandit Jawaharlal Nehru: (a) The Post-war Reconstruction Branch in Ajmer-Merwara was constituted on the 15th January, 1945. The expenditure incurred on this establishment is:—

	Rs.
1944-45	400
1945-46 (revised estimate).	78,700
1946-47 (budget estimates).	43,300

(b) Yes, Sir, with reference to the second part of the question I would point out that the abolition of the Planning and Development Department of the Government of India was not followed, as the Honourable Member would appear to suggest, by the abolition of all Development Officers and branches in the Provinces. The Post-war Reconstruction Branch in Ajmer-Merwara was retained because the preparation of the Development Plans of Ajmer-Merwara had not at that time been completed.

ELECTRIC LIGHT IN DAFTRI QUARTERS IN ALIGANJ AND RAJA BAZAR, NEW DELHI

393. *Pandit Balkrishna Sharma: (a) Will the Secretary of the Works, Mines and Power Department be pleased to state whether Government are aware that there are no electric lights in Daftri Quarters located in Aliganj and Rajabazar, New Delhi?

(b) What steps have Government taken to provide this essentiality of life in the daftries quarters?

Mr. B. K. Gokhale: (a) Yes.

(b) The question of electrifying daftries and peons' quarters in Delhi has been considered by Government but the matter has been postponed consideration in view of the high cost and the heavy load on the electricity supply in Delhi.

BAD CONDITION OF ROADS IN AREA OF ALIGANJ DAFTRI QUARTERS, NEW DELHI

394. *Pandit Balkrishna Sharma: (a) Will the Secretary of the Works, Mines and Power Department be pleased to state whether Government are aware of the bad condition of roads in the area of Aliganj Daftri Quarters, New Delhi?

(b) Are Government also aware that in rainy season the ditches on these roads become small ponds of water and a constant danger to the sanitary conditions of the locality?

(c) What steps have Government taken or propose to take to see that the said roads are metalled?

Mr. B. K. Gokhale: (a) Yes.

(b) Presumably, the Honourable Member is referring to the pot holes on road surface. These holes retain water for about six hours after a shower of rain as the subgrade is sandy.

(c) These roads are in charge of the New Delhi Municipal Committee. An estimate for repairs was sent to the Municipal Committee in May 1946 which has recently been approved. Tenders are now being invited and work will be completed before the next monsoon.

EXPORT OF BONES AND OIL CAKES.

395. *Babu Ram Narayan Singh: (a) Will the Honourable the Commerce Member be pleased to state whether Bones and Oilcakes are still exported from the country; and, if so, in what quantity?

(b) Do Government propose to consider the desirability of stopping the export of these articles for improving the manure position in this country; and if so, from when?

The Honourable Mr. I. I. Chundrigar: (a) No export of raw bones, bonemeal and oilcakes is allowed but export of a limited quantity of crushed bones and bonegrist is being permitted. The export quota of crushed bones and bonegrists for 1947 has been fixed at 40,000 tons.

(b) Crushed bones and bonegrists are not used in India as manure, but form a valuable item in India's export trade. Government do not see any justification for stopping the export of crushed bones and bonegrist. Bonemeal is the item mainly used as a manure, and its export, as I have already mentioned, is prohibited.

Seth Govind Das: The other day when I asked another question regarding this export of bone the Honourable Member said that he would consider the desirability of stopping its export altogether. As such, may I know why even this 40,000 tons of bone is exported when we require so much manure for our country?

The Honourable Mr. I. I. Chundrigar: What is valuable for manure is bonemeal the export of which is entirely prohibited. Export is allowed only of crushed bones and bonegrists which are not used as manure.

Mr. O. P. Lawson: Is it a fact that the Bombay Government have banned even the export of crushed bones from the Bombay port; and if this is so, how is that to affect the Provinces which wish to export their crushed bones?

The Honourable Mr. I. I. Chundrigar: I am not aware of the order passed by the Bombay Government. I will enquire about it.

Seth Govind Das: May I take it that no oilcakes are being exported these days?

The Honourable Mr. I. I. Chundrigar: No oilcakes are exported. I have already mentioned that.

IMPORT OF COTTON MANUFACTURED GOODS

396. *Babu Ram Narayan Singh: Will the Honourable the Commerce Member be pleased to state whether cotton manufactured goods of any kind are still imported into India and if so, from where and in what quantity?

The Honourable Mr. I. I. Chundrigar: Yes, Sir. I lay on the table a statement giving the required information for January to September 1946. Later figures are not yet available.

Statement showing the total quantity of cotton manufactured goods (in yards, pounds or nos. as the case may be) imported into India from abroad during the period from January to September 1946.

Figures below are in thousand

Country of consignment	Unit		
	Yards	Lbs.	Number
U. K.	4,182	2,047	179
U. S. A.	817	21	
Australia		6	
Netherlands	48		
Switzerland	194		
Mexico	2,666		
Brazil	834	...	
Other countries	14	2	

EXPORT OF COTTON MANUFACTURED GOODS

397. *Babu Ram Narayan Singh: Will the Honourable the Commerce Member be pleased to state whether cotton manufactured goods are still exported from India and, if so, to which countries and under what obligation?

The Honourable Mr. I. I. Chundrigar: It is presumed that the Honourable Member refers to 'Cotton manufactures', i.e., goods made of cloth. I lay on the table a statement giving the names of countries to which cotton manufactures are exported. These exports are allowed to maintain and develop India's foreign trade.

Statement

Aden, including Yemen, Hadramaut; Saudi Arabia; Ethiopia; Eritrea; Afghanistan; Arab States in the Persian Gulf; Australia; Belgian Congo; British East Africa, Nyasaland and Italian Somaliland; British West Indies; Ceylon; Cyprus; Egypt; French colonies; Iraq; Mauritius; New Zealand North and South Rhodesia; Palestine; Persia; Portuguese East Africa; Seychelles; Sudan; Syria and Lebanon; Nepal; British Pacific Islands and Burma.

Seth Govind Das: Is it not a fact that there is a great shortage of cloth in this country now; and in these circumstances why does Government think it desirable to export cloth even now?

The Honourable Mr. I. I. Chundrigar: Export is allowed in the interest of India's future foreign trade, to keep up our trade connections with countries which have bought from us in the past and which are likely to be consumers of our surplus production in the future.

Mr. Sasanka Sekhar Sanyal: May I know from the Honourable Member, so far as the immediate present is concerned, what exactly does India get from those countries in return for this export?

The Honourable Mr. I. I. Chundrigar: The products vary from country to country.

Mr. Sasanka Sekhar Sanyal: May I know whether we get food supplies in return from these countries?

The Honourable Mr. I. I. Chundrigar: From some we do. From some we receive some other imports.

Mr. Sasanka Sekhar Sanyal: So far as the other countries, that is those which do not give us food in return for the cloth that we export, are concerned may we have a rough idea of the essential goods that we get?

The Honourable Mr. I. I. Chundrigar: Our export trade had gone up, so far as cotton manufactures are concerned, to 1,100 million yards a year. That quota has now been reduced to 300 million yards, and of this a substantial portion goes to countries from which we get essential supplies.

Sardar Mangal Singh: May I know from the Honourable Member when the list of the established shippers to whom the quota is granted was prepared last? I want the basic year when this list was prepared.

The Honourable Mr. I. I. Chundrigar: The list was prepared when the quota system was introduced, but the list has got to be revised because as soon as the export quota of any firm goes down to a very small limit its quota has got to be eliminated. You cannot allow the export of a few hundred yards. Therefore the list is being revised every six months. The last list was similarly revised recently.

Mr. Sasanka Sekhar Sanyal: May I know what are the essential goods other than cloth which have been referred to by the Honourable Member?

The Honourable Mr. I. I. Chundrigar: Unless you go through the whole list of the countries it will be difficult to give a list.

Mr. President: Question hour is over.

(b) WRITTEN ANSWERS

DUTIES OF AND EXPENDITURE ON INDIA'S AMBASSADORS AND TRADE COMMISSIONERS

398. *Babu Ram Narayan Singh: Will the Honourable Member for External Affairs be pleased to state:

(a) the names of countries to which India's Ambassadors or Trade Commissioners have been deputed or are likely to be deputed in the near future;

(b) the duties they will discharge there; and

(c) the expenditure to be incurred on them and their staff?

The Honourable Pandit Jawaharlal Nehru: (a) Ambassadors have been accredited to the United States of America and China. Trade Commissioners are stationed at London, New York, Toronto, Buenos Aires, Paris, Alexandria, Mombasa, Sydney, Colombo and Tehran.

As the Honourable members may have seen in the press announcement just issued, it has been agreed with the Government of France to exchange diplomatic representatives in the near future. The question of exchanging representations with other countries is under consideration and the decision when reached in each case will be made public.

(b) It is impossible within the scope of a reply to a question to give more than a brief general indication. The functions of Ambassadors for India, as of all countries, are briefly the furtherance of India's policy in the countries to which they are accredited, observation of occurrences which might affect the interests of India, and the protection of the persons, property and interests of Indian subjects in the States to which they are accredited.

The functions of Trade Commissioners are the promotion of trade between India and the country in which they are serving.

(c) An estimate of the expenditure involved for 1947-48 on the existing Embassies and the offices of Trade Commissioners has been placed on the table of the House.

Statement giving the estimated expenditure for 1947-48 on Indian Embassies and Offices of the Trade Commissioners abroad.

	Rs.
Embassy of India in the United States of America.	7,60,000
Embassy of India in China	4,98,350
Office of Indian Trade Commissioner, London.	5,37,000
Office of Indian Trade Commissioner, New York.	1,95,700
Office of Indian Trade Commissioner, Toronto.	1,44,900
Office of Indian Trade Commissioner, Buenos Aires.	84,700
Office of Indian Trade Commissioner Paris.	1,74,000
Office of Indian Trade Commissioner, Alexandria.	62,600
Office of Indian Trade Commissioner, Mombasa.	61,000
Office of Indian Trade Commissioner, Sydney.	72,003
Office of Indian Trade Commissioner, Colombo.	73,300
Office of Indian Trade Commissioner, Tehran.	1,35,600

DAMODAR SCHEME

399. *Babu Ram Narayan Singh: Will the Secretary, Works, Mines and Power Department be pleased to state:

(a) the present stage of the Damodar scheme;

(b) steps already taken in this matter and the steps to be taken in the near future; and

(c) the probable date of its completion?

Mr. B. K. Gokhale: (a) and (b). A reference is invited to the reply given to part (a) of Question No. 176 by the Honourable Member on the 10th February 1947. The conference proposed to be held on the 15th February 1947 had to be

postponed owing to the inability of the Bihar Government representatives to come to Delhi on that date. The next step would be to fix a suitable date for the conference in consultation with the parties concerned to finalise the scheme as far as possible.

(c) It is not possible to anticipate the probable date of completion of the project in view of the many uncertain factors involved.

A' TYPE QUARTERS IN TIBBIA COLLEGE COMPOUND, KAROL BAGH, DELHI.

400. *Sardar Mangal Singh: (a) Will the Secretary of the Works, Mines and Power Department please state whether Government are aware that "A" Type Quarters located in the Tibbia College Compound, Karol Bagh, Delhi, have a small piece of ground attached to each quarter for growing vegetables?

(b) If so, do Government propose to take steps to provide hedge-fencing in front of each quarter to enable the tenants to grow vegetables? If not, why not?

Mr. B. K. Gokhale: (a) No.

(b) In view of the answer to (a) above, this question does not arise. I may add that the unfiltered water supply system does not serve that area.

PROVISION OF ELECTRIC CEILING FANS IN 'A' TYPE QUARTERS IN KAROL BAGH

401. *Sardar Mangal Singh: (a) Will the Secretary of the Works, Mines and Power Department please state whether Government are aware that the electric ceiling fans have not so far been provided in "A" Type Quarters located in the Tibbia College Compound, Karol Bagh, Delhi?

(b) If so, what steps Government purpose to take to instal the ceiling fans in these quarters before the commencement of the ensuing summer season? If not, why?

Mr. B. K. Gokhale: (a) The answer is in the affirmative.

(b) The quarters in the Tibbia College Compound, Karol Bagh, Delhi, were electrified on the 31st December 1946. Action is now being taken to instal fans according to scale, if possible, before the advent of next hot weather.

PROVISION OF DRAIN PIPES IN UPPER FLATS OF 'A' TYPE QUARTERS IN KAROL BAGH, DELHI.

402. *Sardar Mangal Singh (a) Will the Secretary of the Works, Mines and Power Department please state whether Government are aware that there are no drain pipes in the Upper Flats of "A" Type Quarters located in the Tibbia College Compound, Karol Bagh, Delhi?

(b) Are Government also aware that in the absence of drain pipes, the dirty water of the verandahs when washed falls in the Lower Flats?

(c) Do Government propose to take necessary steps to provide drain pipes in the Upper Flats of these Quarters? If not, the reasons therefor?

Mr. B. K. Gokhale: (a) Waste water outlet pipes are provided in the upper flats of these quarters.

(b) These pipes are short in length and the waste water spoils the walls, but does not fall in the lower flats.

(c) The materials for extending these pipes have been collected at site and the work will be completed within a very short time.

DETENTION OF INDIAN SOLDIERS IN SINGAPORE FOR CHRISTMAS MUTINY IN MARCH 1942.

403. *Mr. Ahmed E. H. Jaffer: (a) Will the Honourable Member for Commonwealth Relations please state if it is a fact that 8 Indian soldiers are being detained in Singapore as prisoners while British army authorities study

possible action against them for the part alleged to have been taken by them in the Christmas Mutiny in March 1942 in which one British officer is stated to have been killed and four other ranks were murdered?

(b) Do Government propose to call for a report and place it on the table of the House?

(c) Have Government made any arrangement for the defence of these men at the trial?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). Seven Indian soldiers belonging to the Hong Kong and Singapore Royal Artillery, which is not a part of the Indian Army, are being tried at Singapore by Court Martial on a charge of having taken part in a mutiny in the Christmas Island in March 1942, which is alleged to have resulted in one British Officer and four other Non-commissioned Officers being shot.

(c) The Military Court Martial authorities have themselves made arrangements for the defence of these men.

REPLENISHMENTS AND SUPPLIES FOR FRENCH AEROPLANES AND BOMBERS PASSING THROUGH INDIA *en route* TO FRENCH INDO-CHINA.

404 *Seth Sukhdev: (a) Will the Honourable Member for External Affairs be pleased to state whether it is a fact that French Bombers or Aeroplanes going to French Indo-China pass through India?

(b) Is it a fact that these Aeroplanes get fuel and other requirements in India, *en route*?

(c) Do the Government of India propose to take steps to stop French Aeroplanes or Army in French Indo-China from obtaining their supplies or replenishments from or through India?

The Honourable Pandit Jawaharlal Nehru: (a) Aircraft flying between Europe and France have to cross India in transit. Some French aircraft have crossed India in this way; the number of these is however strictly limited and very few of them have been of combat types.

(b) The facilities accorded to such aircraft are limited to the fuel and other requirements necessary for their onward passage out of India.

(c) Agreements are made with various countries to regulate the air traffic across India. The old agreements having lapsed certain special arrangements were made during war-time to permit a limited number of flights across India. The majority of the French aircraft whose passage has been permitted have been air ambulances or transport aircraft and not operational or combat types. The Government of India are fully aware of the strength of public feeling in India in favour of Viet Nam and the freedom of the people of Indo-China, which they share. They have been anxious therefore not to be a party in any way to any action which may be prejudicial to the interests of the people of Indo-China. They made this position clear and they took steps strictly to limit the French aircraft which may fly across India. They intend to exercise a stricter control in future.

UNSTARRED QUESTIONS AND ANSWERS

NEW ELECTRIC CONNECTIONS FOR RESIDENTIAL OR BUSINESS PREMISES IN DELHI.

34. Chandari Sri Chand: (a) Will the Secretary of the Works, Mines and Power Department be pleased to state whether Government are aware that due to shortage of supply of electricity in Delhi, it is practically impossible to get a new electric connection either for residential or business premises or industrial purposes these days, and that the people of Delhi are being put to considerable inconvenience on that account?

- (b) If so, what steps are being taken to increase the supply of electricity?
 (c) When do Government propose to bring about normal conditions in this respect?

Mr. B. K. Gokhale: (a) Yes.

(b) The Delhi Central Electric Power Authority Ltd. have decided to expand their main Power House and placed orders for two turbo sets of 10,000 kw. each and the necessary steam raising plant to increase the generating capacity. The erection of this machinery may be completed by the end of 1949. In order to meet the demand for electric energy in the interim period, a 2,000 kw. Diesel Power Station is being constructed and will be brought into commission by the end of February 1947. Government are also actively considering the possibility of erecting additional generating plant to the extent of 1750 kw.

(c) It is hoped that the supply will be adequate after three years.

TAKING OVER BY GOVERNMENT OF THE DELHI ELECTRIC SUPPLY AND TRACTION COMPANY.

55. Chaudhri Sri Chand: Will the Secretary of the Works, Mines and Power Department please state when Government propose to take over the Delhi Electric Supply and Traction Company Limited, and who will issue electric connections thereafter?

Mr. B. K. Gokhale: Government will take over both the Electric supply and the tramway undertakings of the Delhi Electric Supply and Traction Company on the 2nd March 1947 and transfer them on the same date to the Delhi Central Electric Power Authority Ltd.

The Delhi Central Electric Power Authority will issue electric connections after that date subject to the approval of the Delhi Province Electricity Control Board constituted by the Chief Commissioner, Delhi under the provisions of the Emergency Provisions (Continuance) Ordinance 1946.

FREE SUPPLY TO M.L.A.'s OF PERIODICALS AND NON-PERIODICALS PUBLISHED BY THE COMMERCE DEPARTMENT.

56. Shri D. P. Karmarkar: Will the Honourable the Commerce Member be pleased to state:

- (a) the names of the periodical publications published under the auspices of the Commerce Department and the time of their publication;
 (b) the names of non-periodical publications published by the Commerce Department during the year 1946 and in January 1947; and
 (c) the arrangements which have been made to supply free copies of these publications to members of the Legislative Assembly?

The Honourable Mr. I. I. Chundrigar: The requisite information is being collected and will be placed on the table of the House as soon as possible.

SHORT NOTICE QUESTION AND ANSWER

STRIKE OF MEAT SELLERS IN DELHI

Dr. Zia Uddin Ahmad: (a) Will the Secretary of the Health Department be pleased to make a statement on the causes of strike of meat sellers in Delhi?

(b) Are Government aware of the fact that non-vegetarian citizens of Delhi are being put to great inconvenience on account of the stoppage of the supply of meat?

(c) What steps do Government propose to take to remove this inconvenience?

12 Noon

Mr. S. H. Y. Oulsnam: (a) The meat sellers of Delhi have gone on strike because they object to the following provisions of bye-laws made by the Delhi Municipal Committee:

- (1) The levy of fees for the issue of licences.
- (2) The issue of separate licences for beef and buffalo meat.
- (3) Sign boards showing the names and addresses of the shopkeepers and kind of meat sold to be exhibited at each shop.
- (4) The fronts of shops to be covered with chicks.
- (5) Shops to be white-washed as often as may be necessary to keep them in a clean and proper state.
- (6) Shops to be provided with stone floors, walls of lime-stone or corrugated iron sheets, suitable drains and at least one ventilator.

The strikers also object to the proposed removal of the slaughter house from the present site.

(b) Yes.

(c) A deputation of meat sellers has seen the Chief Commissioner and as a result the President of the Delhi Municipal Committee has been asked to consider whether any of the bye-laws objected to are unreasonable and can be altered without detriment to the general public. The Deputy Commissioner has been asked to explain to the meat sellers the need for the removal of the existing slaughter house and the advantages of the scheme.

Dr. Zia Uddin Ahmad: May I know whether these bye-laws were framed recently or they were framed sometime ago and they were given effect to by the elected Chairman, because the butchers had opposed his election?

Mr. S. H. Y. Oulsnam: The bye-laws were finally published on the 24th January 1947.

Dr. Zia Uddin Ahmad: When were those by laws originally framed? Why were they not given effect to earlier? Is it a fact that they remained unnoticed for several years?

Mr. S. H. Y. Oulsnam: These bye-laws are new bye-laws which supersede certain bye-laws on the same subject made in 1914.

Dr. Zia Uddin Ahmad: Will the Honourable Member enquire and make sure of this fact that these bye-laws were made long ago and were not given effect to but they were enforced immediately after the elected Chairman came in? Is it not a fact that the butchers had opposed his election in the last Delhi municipal election? Please reply to all these questions. It is not a question of health. It is purely a political problem?

Haji Abdus Sattar Haji Ishaq Seth: Will you consider these matters?

Mr. S. H. Y. Oulsnam: Yes.

Shri Sri Prakasa: Is it not a fact that the health of the city has considerably improved since the commencement of the strike? And has not the Honourable Member received a deputation from the animals concerned recommending that the strike should continue?

Haji Abdus Sattar Haji Ishaq Seth: The Honourable Member mentioned some fee. What is its incidence? Is it prohibitive?

Mr. S. H. Y. Oulsnam: I understand that the fee has not yet been finally fixed but the municipal committee proposes to fix it at Rs. 11 a year for each shop.

Haji Abdus Sattar Haji Ishaq Seth: Regardless of the size of the business?

Mr. S. H. Y. Oulsnam: Yes, Rs. 11 for each license.

Haji Abdus Sattar Haji Ishaq Seth: With regard to the conditions that are sought to be imposed, will he request the Deputy Commissioner or the Government of India, whoever is concerned, to see that they do not insist upon imposing all these conditions at once but gradually, so that these difficulties mentioned by Dr. Zia Uddin may be met.

Mr. S. H. Y. Oulsnam: Yes, Sir. The Chief Commissioner has asked the President of the Delhi Municipal Committee to go into the question.

Lala Deshbandhu Gupta: Is it not a fact that similar bye-laws exist in respect of the sale of milk also in Delhi?

Mr. S. H. Y. Oulsnam: I must have notice.

Lala Deshbandhu Gupta: Is it not a fact that the license fee for the milkmen is the same as is sought to be imposed on the meat sellers?

Mr. S. H. Y. Oulsnam: I have not got that information.

Lala Deshbandhu Gupta: Is it not a fact that similar bye-laws exist in New Delhi?

Mr. President: We are entering too much into the internal autonomy of the Municipality.

Mr. Ahmed E. H. Jaffer: Is it a fact that my friend Mr. Sri Prakasa led a deputation of the vegetarian members to the Government?

Sardar Mangal Singh: May I know whether the bye-laws were framed by the Board after the election?

Mr. S. H. Y. Oulsnam: I have no information as to when they were actually framed. They were finally published in January, after the election.

Mr. Sasanka Sekhar Sanyal: Is it a fact that black marketing in meat has already come into existence?

Mr. President: Next question. Babu Ram Narayan Singh.

STRIKE IN CERTAIN COLLIERIES ON BORDER OF HAZARIBAGH AND MANBHUM DISTRICTS IN BIHAR.

Babu Ram Narayan Singh: Will the Honourable the Labour Member be pleased to state:

(a) whether Government are aware that a strike has been going on in five collieries (i) North Damodar (ii) Bokaro Jharia (iii) Albion (iv) Karmatand and (v) Kesargarha on the boarder of Hazaribagh and Manbhum districts in Bihar;

(b) whether Government are aware that the colliery-owners, instead of meeting the demands of workers, have been trying to avert the strike by violent means with the help of the *Goondas* imported from outside;

(c) whether there have already been several lathi charges, firing and some arrests of labour workers; and

(d) if answers to parts (a) to (c) above are in the affirmative, whether Government propose to take steps in the matter and get the strike settled peacefully?

The Honourable Shri Jagjivan Ram: (a) Yes. The strike in these collieries started on 27th December, 1946, and was finally called off on 10th February, 1947, as a result of reference by Government of the trade dispute in the coalfields of Bihar and Bengal to a Board of Conciliation constituted under the Trade Disputes Act, 1929 on 5th February, 1947.

(b) The managements of these five collieries did not accept any of the terms of settlement drawn either by the officers of the Central Government's Industrial Relations Machinery or by the District officers. In the third week of January, 1947 as a result of discussions between the Chief Labour Commissioner (Central) and representatives of the employers and the workers, a

settlement was reached. The employers signed the terms of settlement which were drawn up but the workers' representatives refused to sign. Therefore, the strike continued till 10th February 1947, when, as stated above it was called off. Government are not aware that any *goondas* have been brought from outside by any party. But it is a regrettable fact that employers of this group of collieries showed a reluctance to intervention by the Central Government's conciliation machinery in contrast with the readiness with which most other employers accepted such intervention.

(c) There was a blank fire by Mr. Banwarilal Agarwala, brother of Mr. Arjun Agarwala. There was no firing and lathi charge by the police who reached the place of disturbance some time after the disturbance. The trouble arose, as far as the Government is aware, out of the efforts of the employers to put fire into the boilers of the collieries with the aid of some workers. It has also been ascertained from the local police authority that out of the dozen injured cases admitted to the hospital from both sides as a result of the above trouble, there was none due to bullet wound. It is further true that four persons, including Mr. Banwarilal Agarwala from the employers' side and 19 persons from Labour side have been arrested for the offence of committing a riot. All of them later on have been bailed out. Four others from labour side are absconding. Some persons have also been arrested for instigating workers to go on or to continue illegal strikes.

(d) The Board of Conciliation referred to in my reply to part (a) of the question has been set up for the purpose of promoting a settlement of the dispute between the colliery workers and management in this and other cases.

Diwan Chaman Lall: Will the Honourable Member please state whether the four persons who were arrested have now been released in view of the settlement?

***The Honourable Shri Jagjivan Ram:** It is a matter for the Provincial Government.

Diwan Chaman Lall: Can the Central Government make a recommendation?

The Honourable Shri Jagjivan Ram: We will look into the matter.

STRIKE IN GOVERNMENT PRESS, NEW DELHI.

Sree Satyapriya Banerjee: Will the Secretary of the Works, Mines and Power Department be pleased to state:

(a) whether the Lino Operators of the Government of India Press, New Delhi, have gone on stay-in strike since the 3rd February, 1947;

(b) if the answer to part (a) above be in the affirmative, what their grievances are; and

(c) whether Government propose to meet their grievances, if not, why not?

Mr. B. K. Gokhale: (a) Yes.

(b) They originally claimed various things but now they are asking for an increase in their emoluments by Rs. 50 p.m.

(c) It has been explained to them by the Chief Labour Commissioner and the Controller of Printing and Stationery that it is not possible for Government to revise their pay scales before decisions are taken on the recommendations of the Central Pay Commission.

Mr. Ahmed E. H. Jaffer: May I ask how is it that these strikes always occur when the House is in session and what steps does the Honourable Member propose to take that these strikes are avoided especially at a time when the House is in session?

Mr. B. K. Gokhale: It is difficult to stop these strikes.

Sree Satyapriya Banerjee: Is it a fact that Lino operators are performing the functions of Mono operators as well as casters?

Mr. B. K. Gokhale: I am not aware of these details.

Sree Satyapriya Banerjee: Is it a fact that Lino operators are drawing the same pay as the Mono operators?

Mr. B. K. Gokhale: I believe so, but I have not got the details.

Sree Satyapriya Banerjee: Is it a fact that Lino operators offered their resignation if their demand is not met?

Mr. B. K. Gokhale: They have gone on a stay-in strike and my information is that they are anxious to be dismissed.

Sree Satyapriya Banerjee: Are they anxious to be dismissed or are they anxious to resign?

Mr. B. K. Gokhale: The Government have given them the scale of Rs. 70 to Rs. 105 and one of the points they have made is that they are being offered by private presses something like Rs. 300 to Rs. 400 a month. That is why they want to go away.

Sree Satyapriya Banerjee: What is the difficulty in the way of accepting their resignation?

Mr. B. K. Gokhale: The matter is still under consideration and the Chief Labour Commissioner is trying to bring about a settlement.

Sree Satyapriya Banerjee: If a settlement is not effected, will the Honourable Member be pleased to state whether their resignation will be accepted.

Mr. President: That is a hypothetical question.

Sree Satyapriya Banerjee: If their resignation is accepted, I hope their provident fund amount will not be forfeited?

Mr. President: That is also a hypothetical question.

Diwan Chaman Lal: May I ask if it is a fact that the Government are prepared to negotiate a settlement?

Mr. B. K. Gokhale: Government are negotiating and they are certainly prepared to negotiate.

Sree Satyapriya Banerjee: With what result so far?

Mr. B. K. Gokhale: So far with negative results; the negotiations are still in progress.

Mr. Sasanka Sekhar Sanyal: Will the Honourable Member consider the question of appointing an *ad hoc* Committee of this House to go into the whole question for the purpose of bringing about a compromise, if possible?

Mr. President: Next question.

INDIA'S STERLING BALANCES

Mr. Manu Subedar: (a) Will the Honourable the Finance Member be pleased to state whether the attention of Government has been drawn to the following from the Financial Correspondent of the *Statesman*, dated the 17th of February 1947?

"There are, unhappily, grounds for thinking that there have been some important failures in both respects. If accord could be secured on principles, procedure is of secondary importance. It is to be hoped, therefore, that between now and April, when discussions are to be resumed, every effort will be made to consolidate such mutual understanding as the conversations have yielded."

(b) Will Government make a brief statement of the grounds, which were urged by the representatives of His Majesty's Government?

(c) What are the understandings, which have been reached and what are the steps, which are going to be taken between now and April?

(d) Will Government make a general statement on the procedure, which they propose to adopt hereafter in respect of the sterling balances?

The Honourable Mr. Liaquat Ali Khan: (a) Yes.

(b) and (c). I would invite the attention of the Honourable Member to the Press Communique issued on the morning of the 16th instant. Right from the start the conversations between the officials of the two Governments have been intended to be of a preliminary and exploratory character and they were at departmental level. In spite of this, the whole subject has been examined in detail and both delegations regard the talks as having been extremely useful. The conversations will be continued on a more formal basis it is hoped towards the end of April. Government cannot prevent surmise and speculation in the Press as to the content of the discussions, but they must decline to be drawn thereby into disclosing details of the discussions at this stage.

(d) The arrangements for further conversations will be decided upon by Government as soon as convenient.

Mr. Manu Subedar: In view of the fact that neither the past Government nor this Government have ever taken non-officials into their confidence with regard to India's case or such part of these negotiations as can be reasonably placed before them, will the Honourable Member tell this House whether he will not carry out the undertaking which he gave to the Committee both on Bretton Woods and the gold par of exchange that he will make use of them for receiving advice and suggestions with regard to these large problems as and when the occasions arose?

The Honourable Mr. Liaquat Ali Khan: Sir, I still adhere to what I said at these Committees that I will certainly avail myself of the advice of the non-official Members of this House as and when the occasion arose.

Mr. Manu Subedar: May I inquire whether the broad case as put forward by the representatives of His Majesty's Government cannot be disclosed either to the House or to the Standing Finance Committee and whether there is any serious harm or objection to such a disclosure?

The Honourable Mr. Liaquat Ali Khan: I have already said that these were purely preliminary and exploratory talks, and at this stage I am unable to say anything definite about them. As I have said before, I must repeat that the Government cannot bring anything before the House unless they themselves are convinced that it is an agreement which is satisfactory and should be placed before the House. There is nothing at present that I can place before the House.

Mr. Manu Subedar: Can the Honourable Member tell us whether any definite understandings have been reached or merely an exchange of facts on both sides has taken place?

The Honourable Mr. Liaquat Ali Khan: I think the Honourable Member should ask the correspondent of the *Statesman* as to what are those mutual understandings that have been reached. All that I can say is that there is a mutual understanding on this point that the U. K. owes a debt to India.

Sardar Mangal Singh: May I know by what time the talks are likely to be finalised?

The Honourable Mr. Liaquat Ali Khan: As soon as possible.

Mr. Ahmed E. H. Jaffer: May I ask the Honourable Member whether the final talks will take place in India or in London?

The Honourable Mr. Liaquat Ali Khan: I answered that question the other day.

Sir Oowasjee Jehangir: The Honourable Member said that he still adheres to the undertaking he gave to some Committee. May I ask the Honourable Member whether he realises that all the wisdom on this important subject is not confined to Honourable Members of this House and that there are others outside this House whose advice would be very useful and of the greatest value to Government and the Honourable Member?

The Honourable Mr. Liaquat Ali Khan: It was not an undertaking. I think the work 'undertaking' is not correct. What I did mention at one of these meetings was that I hope that Honourable Members would always be ready and willing to assist us with their advice when occasion arose. I did not say that their advice will be sought to the exclusion of everybody else's advice.

Lala Deshbandhu Gupta: Is the Honourable Member satisfied that U.K. does intend to honour the debt?

Mr. President: That is already covered by the answer.

RULING *re* PANDIT GOVIND MALAVIYA'S RESOLUTION FOR THE RELEASE OF INDIAN NATIONAL ARMY MEN AND POLITICAL PRISONERS.

Mr. President: Before we take up discussion on Resolutions today

Pandit Govind Malaviya (Allahabad and Jhansi Divisions: Non-Muham-madan Rural): I wish to submit a few words about my Resolution.

Mr. President: Order, order. The point was raised last time as to whether precedence ought to have been given to the Resolution of Pandit Govind Malaviya the consideration of which was postponed by a decision of the House. So, I will state my decision in that respect.

Before I state my decision on the question raised on the 7th February, 1947, about giving priority and first place in the Order Paper to Pandit Govind Malaviya's Resolution regarding the release of I. N. A. prisoners, I may shortly state the facts of the case.

2. This Resolution having secured a place in the ballot during the Budget Session of 1946 came up for discussion on 4th February, 1946. The discussion on the Resolution was not concluded on that day. The business "having been commenced" was set down for the next day allotted to non-official Resolutions *vis.*, 11th February, 1946, and was given precedence over all other business set down for that day, as provided in clause (4) of Standing Order 8. It was similarly given precedence on the 1st April, 1946, and on the 8th November, 1946, in the next session. On the 8th November, 1946, Pandit Govind Malaviya was absent, and a motion was made by the Honourable the Finance Member for postponing the consideration of the motion to the current session. This motion was accepted by the House without any dissentient voice. Shortly after the adoption of the motion, a telegram was received from Pandit Govind Malaviya informing me that he wished to withdraw the Resolution.

3. On these facts, it is claimed that the Resolution should have been set down and given the first place in the List of Business for 7th February, 1947. The arguments advanced in support of this contention are:—

(i) There being the unanimous decision of the House to postpone consideration to the next session, it must be given effect to.

(ii) Reliance is placed on Standing Order 7B, and on the proviso to Standing Order 9; and it is further urged, in the alternative, that if the said proviso does not cover the case, as an exception to the provisions of Standing Order 9, it should be held that the said Standing Order stands superseded, by implication, in view of the express direction of the House to postpone consideration to the next session.

[Mr. President.]

(iii) It is further urged that, in any case, the President has got the power of making variations in the procedure for ballot under the proviso to Standing Order 7B.

4. I may take these contentions *seriatim*. I agree that every decision of the House—whether it be a unanimous one, or by majority—has to be given effect to. But I would add that the manner in which and the extent to which this effect can be given, have to be subject to the Rules and Standing Orders governing the business of the House. As will be seen later, in this particular case, the decision of the House was given effect to.

5. I am unable to accept the very wide proposition that even a unanimous decision of the House can by implication be taken as superseding all Standing Orders and Rules. The most natural interpretation of any decision of the House is that the House wishes to give effect to it strictly in conformity with the Standing Orders and Rules. If the House so feels, it is competent to take proper steps for such changes, as it may like, in the Standing Orders and Rules. To interpret the decision of the House, as abrogating or superseding Standing Orders by implication would be a very dangerous canon of interpretation. There would then be no fixity of any procedure governing the business of the House and no safeguards to individual members of the House in respect of the exercise of their rights, as such members, in matters where they differ from the majority. To my mind, it is essential for the best and most democratic functioning of the House that there should be stability of procedure, which should not be liable to change by implication with every decision of the House, even if the decision be unanimous. Even on consideration of balance of convenience, the acceptance of this contention would be dangerous, and will lead to greater inconvenience than convenience and to the suppression of the liberties of the dissenting minority. It is to be remembered that a decision of the House is not always a unanimous decision, and even in cases, where it is unanimous, I may be permitted to point out that the unanimity is perhaps relative and not absolute. Even members, who have not been present in the House, when a particular decision was taken, are equally interested in maintaining the stability of the procedure, and any decision agreed to by all members, who were present (it is in this sense that it is alleged that the decision is unanimous) ought not to affect the rights and privileges of absent members as regards the procedure for conducting the business of the House. I am, therefore, unable to accept the contention that the Rules and Standing Orders relating to the business of the House are capable of being changed by implication and without any resort to the special procedure competent to the House, expressly laid down for the purposes of such changes in the Rules and Standing Orders, as the House may desire.

6. Reliance is placed on the proviso to Standing Order 9 which reads as follows:—

“Non-official business set down for any day and not disposed of on that day shall not be set down for any subsequent day, unless it has gained priority at the ballot held with reference to that day:

Provided that, notwithstanding anything contained in Standing Orders 7A and 7B, any such business which has been commenced shall be set down for the next day allotted to business of that class, and shall have precedence over all other business set down for that day.”

It will be clear from the wording of the proviso to Standing Order 9 that only that business shall be set down for the next day allotted to business of that class “which has been commenced”. The obvious meaning is that the business has not been disposed of by the end of the day, allotted to that particular class of business. In ordinary language, it would be called a part-heard matter, and, therefore, it comes up automatically on the next day allotted for that particular class of business. The proviso cannot and clearly does not apply to cases in

which the consideration of the matter though unfinished was put off to some other day and therefore not pending at the end of the day. It cannot be said because of the postponement that the matter is part-heard in the sense that it was pending at the end of the day. It was undoubtedly part-heard in the sense that the consideration was not completed. It will be appreciated that the object of the Standing Order is to give the fullest chance for the disposal of all non-official business, and, at the same time, to give fair and equal opportunities to all members for bringing forward other Resolutions. If a Resolution of the House to postpone consideration were to be interpreted as keeping the matter pending at the end of the day, and, therefore, entitled to precedence over all other business at the next day for such business, it will mean that the majority is being placed in a position to so dominate the conduct of business on days allotted to private business as to allow it to bar all chances for any individual dissentient member to bring his Resolutions before the House. Supposing five or six Resolutions are put in the List of Business for a particular day, one or two are discussed up to the end of the day, and as regards the remaining, the House passes Resolutions, by a majority, to postpone consideration to the next session. If all these have to be included in the List of Business and given priority, what will happen to the Resolutions of other members, who might have given notices in respect of them? Even if they get a chance in the ballot, they will never, or rarely be able to bring their Resolutions before the House. Considerations of equity and equal opportunities to all members also point to the same conclusion.

7. As regards the contention that I have the power of making variations under the proviso to Standing Order 7B, it is enough to point out that the power is in respect of "variations in the procedure for ballot". Ordinarily, the Standing Order requires that the procedure set out in the Schedule should be followed, but the President is given the power to vary the procedure as he likes. The procedure for balloting to settle the precedence is different from settling the precedence itself on the List of Business for a day.

8. For the reasons stated above, the postponed Resolution has to be balloted, and if it does not secure a place in the ballot, it cannot be placed on the List of Business for the next day much less can it be placed as first item. The effect of the decision of the House for postponement of consideration is therefore to supersede neither the necessity for balloting nor to affect the precedence as determined by the ballot.

9. In the present instance, the Resolution was, therefore, balloted even though there was no fresh notice on the part of the Honourable Member to have the Resolution balloted. His telegram for withdrawal could have no effect. The Resolution being the property of the House and there being a decision to have it for consideration at the next session, it was considered admissible for ballot. Unfortunately, it did not secure a place in the ballot, and, therefore, it could not be included in the List of Business for the 7th February, nor did it secure a place in the ballot for the 18th February.

10. In view of the keenness shown by some members of the House I considered the question as to how this Resolution could be brought before the House. One possible course would be that members who have got precedence for items No. 1 and 2 in today's agenda may not move them and thus give place to item No. 3 which is substantially the same as Pandit Govind Malaviya's Resolution. The other course would be that Government may allot time for discussion of the Resolution, as the decision for postponement was unanimous, the Government also being a party to it.

Khan Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, may I draw your attention to Standing Order 70 which says that once a Resolution has been moved no similar Resolution or amendment can be moved within one year?

Mr. President: I considered that aspect also and as this Standing Order is a restriction on the rights of Members it has to be construed strictly. I am inclined to construe it as saying that a Resolution cannot be taken up within one year from the date on which the former Resolution was moved. If it is "moved" it may be kept pending for a long time. The Order does not refer to any decision of the House or the final stage of consideration of the motion. The previous Resolution having been "moved" on the 4th February last year the Standing Order does not apply. I considered that point when I suggested the other alternative.

Shri Sri Prakasa (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, as this discussion was actually adjourned at the desire of the Finance Member, may I request the Honourable the Leader of the House, to allot time on an official day for this to be discussed?

Mr. President: That would be a point to be considered later on. We may see how the two Resolutions preceding the third one progress. It is possible that the third item may be reached, in which case that request may be unnecessary.

RESOLUTION RE COMMITTEE FOR CORRELATION OF GOVERNMENT DEVELOPMENT PLANS AND FOR THE REDUCTION OF PERSONNEL ON FINANCIAL GROUNDS.

The Honourable Pandit Jawaharlal Nehru (Leader of the House): Sir, with your permission and the indulgence of the House I wish to say a few words with regard to the first Resolution on today's agenda which stands in the name of my Honourable friend Mr. Manu Subedar. It is obviously an important matter relating to various plans of development which Government have been considering for a long time. It is a matter in which Government are intensely interested and no doubt the House is also interested. Government appointed an Advisory Planning Board which has produced a report which is, I believe, in possession of Honourable Members. Government have not fully considered that report yet. It may be that at a later stage the subject may be brought up before this House by Government themselves during this session. In any event I suggest that this or some such Resolution may be considered with better effect at a later stage instead of now and I submit that it would be better not to have it taken up at present.

Mr. Manu Subedar (Indian Merchants' Chamber and Bureau: Indian Commerce): Sir, it is difficult to give up the bounty of the ballot box, but in view of what was said by the Leader of the House I do not propose to move this Resolution.

RESOLUTION RE CONVERSION OF RESERVE BANK OF INDIA INTO A STATE BANK

Mr. Tamiruddin Khan (Dacca cum Mymensingh: Muhammadan Rural): Sir, I move:

"This Assembly recommends to the Governor General in Council that the Reserve Bank of India be taken over by Government, converted into a State Bank and run as such."

This matter has I think been discussed on several previous occasions and I need not take much time in discussing it today. The question of running all national concerns by Government has become very important of late. On a previous occasion we discussed the question of running civil aviation as a State concern. On that occasion the Honourable Home Member remarked that Government had not been in a position to give any serious consideration to that question and that Government would not like to be hustled into hazardous undertakings. Sir, to be in the air may be a hazardous undertaking, particularly on the part of the Home Member, but here we are considering a matter which is

not in the air but is one very much of the earth. There was also another ground that was advanced on that occasion that the State cannot take over infant concerns but can only take over concerns that have been run for a considerable time by private persons and which have been built up to a certain extent. If that is so, then also there is no reason why Government should fight shy of taking over the Reserve Bank of India. It has been functioning for a considerable time and also, if I may say so, it has been functioning satisfactorily. I do not know whether the Government thinks that there is any danger or risk in taking over that concern. If that is not so, the only question remains whether the present Government of India is actually wedded to the theory of taking over such concerns and running them as Government concerns. I hope, Sir, that the persons who have on previous occasions advocated the policy of nationalization from Opposition Benches in this House having gone to the Treasury Benches will not alter their previous policy and give a go-by to their previous declared policy of nationalization. I actually do not know what argument may possibly be now advanced against the proposition of the Reserve Bank of India being taken over by Government. On previous occasions I understand that one of the objections raised was that a proper Board of Directors could not be contemplated. I do not know whether that is also the view of the present Government. If men can be found to run the Government of India itself, I do not know how an argument like this can be advanced that a proper Board of Directors could not be found if the Reserve Bank of India had to be run as a State concern. There was another argument that in many other countries the Central National Banks were not State concerns. I admit that that was because the whole world was then a capitalistic world. The outlook has considerably changed since then. The question reduces itself to this—whether we are going to adhere to capitalism out and out? If that is openly declared we can understand the position, but if it is said that that is no longer the policy of the Government—and actually the Leader of the House has openly declared that his ideal is to establish a socialistic state in this country—in that case would it be consistent with that policy if a proposition like this is turned down? If a proposition like this is turned down, it will give an impression that all that was said by the Leader of the House about a socialistic state was insincere cant. I hope that the Honourable the Leader of the House will not like to have a serious charge like this levelled against him. I think it is actually difficult to speak much on this subject without being in a position to know what actually the Government thinks about the matter. All I can say is this that the Central Bank of India should be a concern of the State. The State is not only for the capitalists; the State is not only for the rich people of the land; if the State stands for the people of the country as a whole including the poor and the humble, in that case the monetary organisation of the country should be a national concern, and it should not be confined to a limited number of shareholders who are none but capitalists. Is the Reserve Bank to be run in the interest of those limited number of capitalists, or is it to be run in the interest of the entire people of the land? If the latter, in that case there is no reason why the Reserve Bank should not be taken over by the State.

Sir, I do not know whether there are any practical difficulties that stand in the way. As a layman I do not see much practical difficulty. It is a running concern. The capital is now provided for mainly by private shareholders; the capital will have to be provided entirely by the Government if it is taken over by the Government. That is certainly not an impracticable proposition. What practical difficulties there may be, I do not know. Therefore, Sir without prolonging my speech any longer I would strongly recommend to the House to consider the Resolution seriously and to give their unanimous support to it.

Mr. President: Resolution moved:

"This Assembly recommends to the Governor General in Council that the Reserve Bank of India be taken over by Government, converted into a State Bank and run as such."

I find there is an amendment in the name of Mr. Gole.

Mr. P. B. Gole (Berar: Non-Muhammadan): I do not propose to move that amendment.

Mr. Manu Subedar (Indian Merchants' Chamber and Bureau: Indian Commerce): I have great pleasure in supporting the Resolution which has been moved by my Honourable friend, Mr. Tamizuddin. Sir, in this country we are discussing nationalization of so many items and every day I find more and more items are being added to it. So it is difficult to keep pace with the number of items which people are suggesting. For example, it has been suggested that all public utility concerns like electric supply companies should be nationalized; it has been suggested that all transport (the railways are already state property)—road transport, river transport and aviation—should be nationalized; it has also been suggested that great industries like textile industry, heavy engineering industries, and iron and steel industry should be nationalized; it has been said that all coal mines and all mining operations should be run by the State; it has also been urged that all land must be nationalized, and so on. Now, Sir, everybody who is putting forward a plea for one or the other state undertaking in these directions has probably some justification, but those who have got to supervise and to see that these operations are done smoothly and there are no unexpected reactions as a result of the action taken, must be wide awake, and I say that if there is going to be anything nationalized in this country I would give the foremost place to the nationalization of the Reserve Bank. For this reason I very much welcome the Resolution which my Honourable friend has moved.

Then, Sir, it is not only for this nationalization that you will need finance in an orderly manner so that you do what you intended to and you do not find yourself landed into situations which you never intended, but apart from this we have got plans of the Provincial Governments and the Central Government, and the Municipalities are all running in short finance and all round the Indian States have got very heavy plans. I may make it clear straight away that in the Reserve Bank as it is run now the Indian States have a share not at all less than what their population fully justifies in comparison with British India. Therefore, Sir, there are plans running into about Rs. 1,600 crores at the Centre Provinces and States. The plans have not yet covered all that the 29 panels have indicated. Where is the finance going to come for all these purposes? And the next question is, who is going to handle the finance for all or some of these purposes which will be selected in some order of priority? Who is going to determine these conditions? That is going to be the Reserve Bank, and therefore it is of paramount importance to the life of this country that this institution should be completely nationalised.

Now, Sir, it may be said that at present all the profits are coming to us. All surplus over a certain limited percentage goes to the shareholders.

Sir Cowasjee Jehangir (Nominated Non-Official): What percentage goes to the shareholders?

Mr. Manu Subedar: I think about 3½ per cent.

Sir Cowasjee Jehangir: Four per cent.

Mr. Manu Subedar: Yes, four per cent. and the rest goes to the State. It may be said that Government have a hand in appointing the Directors. It may be said that it was Government officials, picked men from the I. C. S. who took over this institution when it was started and that the same framework is still running this institution and it is not running badly and why do you want to do this? But there are other grounds which I shall give why I think that this must be done.

The Reserve Bank was not established when we were sitting in the Banking Commission and when we went into this issue we put very great emphasis on those who were on the Banking Commission that there should be a proper Central

Banking Authority who would be the pivot and fulcrum of the economic life of this country: who would supervise it, maintain it and secure it against inroads from external and internal disturbances, and who would advance money and seal up all weakness in the economic life of this country. It was with that intention that recommendations were made for the starting of this institution and I am sorry to say that this institution has not been able to carry out most of the expectations in this direction. It has certainly been a note issuing authority and it has been a banker to Government and to Indian States. It has done these limited functions properly. (But it has not carried out the other functions of a constructive character which was entrusted to this body.) Whether this failure is to be accounted for by the fact that it was a shareholders' institution or not, that I will leave to the House to judge, but let me indicate some of the directions in which there has been a failure.

Section 17(2) puts a specific obligation on this institution to create a discount market and a bill market in this country. Unfortunately in this direction failure has been written very large because nothing has been done. Then, Sir, the plea was the expectation of the Banking Commission to throw great emphasis on the fact that all remittance charges in this country between one place and another should be abolished, and that was to be abolished by the Reserve Bank by the issue of what are known as Bank post bills, that is to say drafts drawn by this institution on its other branches which are payable in full. This again has not been done and at present we are still paying heavy charges as Members would doubtless have found out when they exchange a cheque from the place where they come with a Delhi cheque.

Then, Sir, in section 55(2) an obligation was laid on this institution to make recommendations to Government for the permanent basis of the Indian monetary system and permanent measures for monetary standard. Since 1934 when this institution came into existence, we do not know whether this has been done. Sir, it is curious that correspondence between this institution and Government is kept secret so that when we ask for this correspondence we are told that that is secret correspondence. In other words, I am not aware of it and therefore I am entitled to say that this institution has altogether failed in the principal duty which was entrusted to it under that section.

Under Section 55 (A) there was also the question of extending and linking up indigenous banks and country banks with the Central Banking Institution and with the money market and generally to bring down the rates of interest which were prevailing in the interior and which was high. There again some lukewarm effort was made but given up because the parties concerned would not agree to the terms offered by the Reserve Bank.

Then a still more glaring failure is under Section 55(B) which was to improve all machinery for dealing with agricultural finance and closer connection between agricultural operations and the bank. In other words what was wanted was that instead of having a plentiful supply of money in the principal cities and very scarce money conditions in the interior leading to heavy rates for the agriculturist, it was expected that the Reserve Bank would put into operation some machinery for tilting the balance in favour of the agriculturist and for having the supply of money there increased in volume and brought down so far as the interest charges were concerned.

In all these directions there has been a complete failure. There are other points which I need not mention. But we had one of these points in the Select Committee and now that the Select Committee report has been published Honourable Members of this House will see that the Reserve Bank did not have the powers to give any loan to any bank which was not a scheduled bank. In other words about thousands of little banks in this country were not eligible for being helped by this institution. The Reserve Bank did not have the power to

[Mr. Manu Subedar.]

lend against certain classes of security; the class of assets which these little banks might possess. In other words, the Reserve Bank did not always have the power to help banks which were in difficulties, and I am sorry to say that it has been reported on and very severely complained about that the Reserve Bank did not have the willingness to help institutions which were in difficulties and some of them would have survived had the Reserve Bank come to their assistance earlier.

And it is readily understandable as to why the Reserve Bank should not be over-anxious to risk its money. It is a private institution. Why should it take any risks so far as the Directors are concerned. They are all city gentlemen, representing big business. Why should they take risks and try to save some small banks which may be sinking? Why should they risk their shareholders' money? Therefore there was no motive and no direct obligation and this was all in flat contradiction of what was expected of this institution.

Then, as my friend has pointed out, all central institutions in the world are State institutions. Even in the last ditch of capitalism in London, even there, my friend, Mr. Tyson will confirm me, the Bank of England has been nationalised by a Government which has a very large programme of nationalisation in the same way, as Mr. Tamizuddin said, the Leader of the House had expressed himself in favour of certain types of State Socialism. With such a large programme of nationalisation, this wise British Government who came into power on the basis of very successful popular support, what is the first thing it has done? It has nationalised the Bank of England and therefore we are in very good company. We urge on our Government to take steps in the same direction.

Then, Sir, the question is whether these steps would lead to any special difficulty so far as the exchange work of this institution is concerned. I do not see why there should be any difficulty about it. What is the sanctity of some holders of 3½ per cent. paper which is called the Reserve Bank Shares and other holders of 8 per cent. paper, who will in future as the holders of the public debts of this country pay the owners of this institution. Where is the special sanctity about it? Why should some persons called shareholders have a privilege to elect directors to this large institution and are all the preliminary precautions to keep the shares in different hands and different provinces operating now? Have they not failed? Are not shares concentrating into single hands and is the class of men seeking directorship the ideal type? I was hesitating to characterise him as such, but is he not a kind of financial adventurer? I would say that it is high time that persons who had no direct concern with regard to the welfare of the country or who have no direct hand in the shaping of the economic policy and economic plans of the country, that such persons did not seek and secure membership of this institution.

Take the question of interlocking finances. What is the Reserve Bank shareholding? It is 5 crores of rupees, which at the market value is 7½ crores. May I inform this House that three or four clever men who have got charge of financial institutions and investment trusts could very easily get this much money out, can collar the shares, put in their friends and nominees into this institution and then help themselves by the backdoor. Do we want to take that risk? Do we want to expose the Central banking authority, a bank which has got all the Government finance, to this risk? I admit that it is a theoretical danger but it may become real tomorrow. These things are happening elsewhere in the world and it is high time that our Government also looked up and considered the desirability of making these changes.

In order that there may not be a violent change from the existing conditions, my own suggestion would be that while this shareholding should belong to the State, the actual day to day management should be in the hands of a Statutory

Board. I have never been able to understand why members of this legislature have been specifically excluded from this so-called shareholders' bank. I want a statutory board which will be formed on some basis which will be good to this country and on the lines on which such boards are selected for the management of central institutions elsewhere. I want this to be formulated in such a way that Government may not directly and day to day interrupt in the work which is going on as in the case of the Port Trusts. We have there the example of statutory boards which involve a minimum amount of interference from the Centre and yet a competent local authority carries on the day to day work.

I would like to quote from Sir George Schuster as to the principal ground on which he said, the shareholders' bank was justified. That is the ground which unfortunately has fallen through and it is exactly the danger which he was trying to avoid and into which this country has fallen at the hands of this so-called shareholders' institution. Sir George Schuster said on the 30th November, 1933, when moving for the adopting of the Reserve Bank Bill:

"My Honourable friend, Mr. Neogy, quoted from what I myself said at Simla on this matter, where I pointed out in the simplest possible terms that we want to create a position where the Government as the chief user of money in the country should not itself be the authority which has the control of the creation of money. When it wants to get money it ought to have to go to an independent authority and make out its case just as any private individual has to do. It ought to maintain a sound position and not be able to reinforce its position by turning on the printing press in case of need. That, Sir, put very simply is the essence of the position, and what we have felt is that unless you get up a bank on a shareholder basis you cannot be assured of creating and maintaining that position."

That, Sir, is exactly the refutation which I am giving here to an undertaking given by a British Finance Member in this House, that Government will not use this institution as a printing press for replenishing their finances. That is exactly what was done and I am sorry to say that the Indian Directors of the Reserve Bank did not put in their best effort (and their best effort would have been to send in their resignations), and object to Government misusing the provisions of this Bill in order to replenish themselves. In other words, almost the only ground on which the shareholders' bank was justified by the Honourable Member who moved this Bill in 1933 has fallen through with the experience of the war.

Sir, I will conclude in a minute. What I want is this. I have nothing to say against the present Reserve Bank authorities. Some of them are very friendly with me. But they have not got that vivid picture of what is desired in this country, what sort of economic growth, what sort of economic life, what sort of dealings between millions of people in different parts of the country and what sort of effort is to be put in for all these purposes by millions of people in this country. That vivid mental picture which alone would enable them to guide and direct the activities of this institution into proper channels, that, I am sorry to say, the present authorities of the Reserve Bank do not have. Therefore I strongly urge that Government should consider this problem from every point of view. None of us desire to jockey this Government into any action which may be hasty or ill-advised or which they may consider untimely, but the aspects which I am referring to are those which need full consideration. If for any reason they are dealing with this matter, then I would urge on Government to consider every one of the points which I have put forward and at all events to overhaul the nominees whom they are putting into this institution, to give them direct instructions and charge them to let this institution perform the functions which it was intended to perform but which it does not perform and not again to be drawn into channels which it was never intended to be drawn into, *viz.*, as a printing press for replenishing Government funds. The reverse of this has happened. The wrong thing has happened and the right thing which we all urged on this institution and for which we wanted this Central authority to be built up, has not occurred and we are entitled to press on Government the view

[Mr. Manu Subedar.]

that something should be done and the best way to do this would seem to be the nationalisation of this institution.

Sir, I support the motion.

Mr. Geoffrey W. Tyson (Bengal: European): Sir, in the few minutes which remain before the luncheon interval I would like to say a few words. From what has so far been disclosed as to the mover's intentions and by means of Mr. Manu Subedar's survey of the position, I and my colleagues in this Group are quite unable to make up our minds on the merits of the proposition which is now before the House. But I will, Sir, attempt to offer a few observations on the resolution which we are considering this morning.

Sir, we are invited on the one hand to survey a world which is a socialised world, in which we are moving on towards better and bigger things, bigger and bigger doses of happiness and on the other hand to look at an institution which has been created and made by private or individual enterprise to a very large extent, and which is grounded on the merits and the usefulness of the capitalist system. We are asked to say that here is something very desirable in the world, a world which is hypothetically divided. Because two things differ in ideology we must therefore surrender an established institution. Well, Sir, that obviously is not the point of view to which many of us can be expected to give whole-hearted and sincere support.

We are, as I stated in the beginning, greatly handicapped by having had no previous expression of opinion from the Government of India on this subject. It has been obvious that as there has been a claim for nationalising basic industries and as there have also been claims for nationalising other things which cannot be described as basic, that sooner or later a demand would come forward for the nationalisation of the Reserve Bank of India. And I must say that one of the most astonishing statements made in my hearing by any Honourable Member was the one made by the mover of the resolution in which he said that because the Bank was now functioning satisfactorily therefore we ought to nationalise it! One of the reasons for the state deciding to exercise something more than a supervisory interest or deciding upon state ownership over an enterprise, has generally been because it was not functioning satisfactorily.

But there is one point on which I find myself in agreement with the two previous speakers and that is this. It was particularly emphasised by my Honourable friend Mr. Manu Subedar. The point is that nationalisation might be decided upon as a corrective to the tendency of the shares of the Bank—a tendency which has been shown in the past few years—to concentrate in the hands of a smaller and smaller public or to concentrate in one part of the country. Those of us who look at the affairs of the Reserve Bank of India at least once a year when the Annual Report comes out have in fact noticed that ten years ago the share capital was pretty equally divided according to the regional interests of Calcutta, Bombay, Madras and so on. It has, however, in recent years shown a tendency to concentrate in Western India. This may be due to a variety of reasons. But that is a fact. And the ownership of the Bank has tended, I think, to get into fewer hands and to become lop-sided. That is not in itself a reason for nationalisation.

One of the things that can be said in favour of the present system is this. The Reserve Bank and the Finance Department are obviously two completely separate entities. But they would not remain so if we once decide to nationalise the Bank. They have none the less, over a period of the last ten or twelve years worked in the closest co-operation and the closest agreement and understanding in the management of the country's currency and finance. They have in fact, to all intents and purposes constituted themselves into one currency authority. My Honourable friend Mr. Subedar quoted the case of the Bank of

England this morning. He referred, if I may say so with respect, to such an authority as London as being "the last ditch of capitalism". It is not. New York is the last ditch of capitalism. In all these matters we British are pursuing the course of compromise, of reason and of accommodation.

Mr. President: The Honourable Member may continue 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 Mr. G. V. Mavalankar) in the Chair.

Mr. Geoffrey W. Tyson: When the House rose for Lunch, I had just referred to the fact that though there were two separate institutions, the Reserve Bank and the Finance Department, they did, in fact, act in the closest co-operation and as a matter of fact, constituted one single currency authority. My friend, Mr. Manu Subedar, quoted some words which Sir George Schuster is said to have addressed to Mr. K. C. Neogy as long ago as 1933 or 1934 in which he said that Government, as the biggest users of money—this is how I understood the quotation—should not be in absolute control of the making thereof and that is generally agreed to be a wise and sound provision. I do not quite see its relevance to a case in support of the nationalisation of the Reserve Bank, but I do think that as a general proposition it is a sound, wise and prudent statement and has the force of history and experience behind it.

Now, Sir, the form in which this Resolution was moved, and the terms in which it has been spoken to so far, rather suggest to my mind that the speakers and the House regard the Reserve Bank of India as some sort of vested interest. Well, any one who has been in close and intimate contact with the money machine of the country knows that that is far from the case. It is of course true that the Reserve Bank is a special type of bank, a central bank which, in banking terms, is, I believe, a lender of last resort and therefore it is rather an exclusive sort of institution but that does not mean that it is, or has in fact behaved like a vested interest. I think that is not the right way to regard it. In fact, it is a great State enterprise and up to now in its not very long history, has served India satisfactorily as the spearhead of the money machine. With all due respect to the Mover and Mr. Manu Subedar who has supported this Resolution, I do ask them whether in fact this is the time to embark on plans for the nationalisation of the bank. Occupying the place that it does in the economy of the country and in the councils of the Government, the bank has, I think every one will be agreed, enormous tasks ahead of it in which it will have to guide, advise and counsel government. There are, as we know, great tasks before it at the moment. The first phase has just come to an end of the negotiations on the sterling balances. In this matter, the Reserve Bank, I have no doubt, will be tendering the most important guidance both in the field of policy and in the more technical field. We have ahead of us too a programme of industrialisation in which the Reserve Bank will be called upon to play a large and increasingly important part. We have also ahead of us, I suggest, an era of deficits. That is not probably such good news as some of the other tidings which we hear from time to time in this House, but I do not think it can be denied that we are moving into a period in which the Honourable the Finance Member and his colleagues will come before this House more frequently to report the absence of surpluses and the inevitability of deficits. Now, in this kind of picture, the Reserve Bank is called upon to play an active part and I suggest that it will be most unwise and imprudent at this juncture in the affairs of India to begin to talk about and to implement a policy for the nationalisation of the bank.

[Mr. Geoffrey W. Tyson.]

There is the further fact, as I see it, that if the nationalisation of the Reserve Bank becomes a practical issue before this House or before the members of the Government, it will almost inevitably, I think, be the prelude to a demand for the nationalisation of the banking system as a whole. (Mr. Sasanka Sekhar Sanyal: "Yes, yes"). The two things are not on all fours. My friend, Mr. Sanyal, says—Yes, yes. That suggests to me that I am interpreting the thoughts of another important section of the public aright. The case for the nationalisation of the Reserve Bank and the nationalisation of the banking system as a whole are different in detail but over a large part they are very similar and I suggest that having regard to the very tricky economic situation—I use no stronger words than that—into which we are inevitably moving, to tinker with and cast doubt upon the basis of credit or the banking system will do no great service to this country. On the contrary, it will, I think, do considerable disservice and to some extent undermine confidence in the future.

I understand, and I hope and believe, that the Finance Member has got an open mind on this subject. I would ask him to preserve that open mind for the time being and not today commit himself to a statement which implies that the Government and the Finance Department are in favour of the nationalisation of the bank. I do not say, as a matter of right or wrong, that he would be wrong in so doing but what I do say as a matter of practical expediency is that the whole question deserves to be considered much more exhaustively than we have had an opportunity of considering today, on a high technical level than in the Legislature. This is not the time in my view, and in the view of my colleagues on these benches for Government to pronounce a final opinion upon so important a subject. I therefore hope and trust that when the Finance Member comes to reply to this debate he will indicate that Government require much further time to consider this before indicating their final views to the House.

Mr. Sasanka Sekhar Sanyal (Presidency Division: Non-Muhammadan Rural): Sir, I must congratulate my Honourable friend Mr. Tamizuddin Khan for having brought this Resolution before this House because today this question of nationalising the Reserve Bank of India is not merely an academic, political or economic one but it is a live issue and round this issue centres the connected vital issues in the matter of the reconstruction of the whole country. My friend Mr. Tyson several times consoled himself and cautioned the House by referring to what he described as a tricky situation and he has repeatedly said that this is not the time for going in for a proposition like this. But I maintain that this is just the time when the wisdom of the representatives of all sections of the people should be assembled together not for discussing the hypothetical and abstract questions regarding nationalisation, but for discussing as to how to put this question into a concrete form. Today we are in the midst of a Government which we call a National Government and we take pride in describing this Government as such and our pride is particularly due to the fact that we are looking forward to the potentialities which may be tapped and discovered by this Government which is representative of the people. If we can now carry ahead with this National Government through all sorts of political pitfalls and political dangers, I submit that this is just the occasion when we should also go in for the consideration of the question as to how to place our economic and quasi-economic affairs on a foundation of a thorough and universal national planning. In order to do that, we must have a solid monetary banking structure.

Sir, when we consider this Resolution, the first thing that we have to consider is as to whether the Reserve Bank of India, as it is today, really serves the purposes of the present and is really commensurate with our ambitions of the immediate future. I do not think there will be much difference in this House although there may be some difference regarding the manner of implementing

the Resolution, between one section of the House and another regarding this matter. The Reserve Bank of India, when it was brought into existence by an Act of this Legislature, had created certain powers for the said bank and had also imposed certain duties and liabilities on it. As a very humble student of the economics of the country, my reading is very clear. So far as the rights are concerned, the Reserve Bank of India has not been able to exercise them properly, and so far as the duties that have been imposed upon that bank are concerned, they have failed.

Taking the duties first because duty must precede right, may I give one typical illustration. Section 54 of the Reserve Bank of India makes it, as I should say, obligatory so far as that section is concerned, to act in a certain direction. It reads:

“The Bank shall create a special Agricultural Credit Department the functions of which shall be—

(a) to maintain an expert staff to study all questions of agricultural credit and be available for consultation by the Central Government, Provincial Governments, the Government of Burma, provincial co-operative banks, Burma co-operative banks and other banking organisations;

(b) to co-ordinate the operations of the Bank in connection with agricultural credit and its relations with provincial co-operative banks, Burma co-operative banks and any other banks or organisations engaged in the business of agricultural credit.”

Now, Sir, without offering any comment upon this question, I submit before the House that the Reserve Bank of India, practically speaking, has not done anything to implement the directions which are embodied in this section. I know that the Honourable the Finance Member is not happy about the present position. He is as unhappy as we are, and if things lay in his power, he would at once harness the Reserve Bank of India in such a way as to make it go ahead in this direction. But so far as this aspect is concerned, let us take it that the Reserve Bank of India is a dead horse, and I of all persons, as a member wishing very well of the present Government, would not advise this Government to whip a dead horse. Therefore, a thorough overhaul is necessary in that direction and a recast of the entire matter, so that we can deal with live issues in a live manner.

So far as the rights are concerned, if you look at the rights which are given to the Reserve Bank of India by this Act, the bank has been made a perfect autonomous body and it was expected that the rights should be exercised in the direction of the uplift of banking facilities in this country. Here, again, I say that the Reserve Bank of India has not been able to do anything. I am glad Mr. Tyson referred to the locking of shares, but that has led to the inevitable consequences. On another occasion on the floor of this House I made a reference to this matter in a different context. At that time my good friend Mr. Manu Subedar countered my comments and he thought that my comments were smelling some sort of provincialism. I am very sorry that the language that I used at that time lent itself to that interpretation, but now that Mr. Tyson has referred to it I want to make it clear that on account of the fact that the shares have been locked in certain hands and those hands have their industrial interests in a particular part of the country, the entire banking structure has been so influenced as to cause prejudice to those banking concerns which are not connected with the industrial developments of that particular territory.

Now, it is well-known that although the shareholders of the Reserve Bank at the inception were widely distributed over at least major parts of the territory than today, the whole thing has grouped in certain hands and these are the influences. I do not say that these parties or persons intentionally do things in a way which is calculated to prejudice the cause of the country at large, but, after all, human beings being what they are, there is no denying the fact that, when particular interests grow round particular institutions, there is an unconsci-

[Mr. Sasanka Sekhar Sanyal.]

ous tendency—a tendency that that party himself would grow gradually—to get things concentrated in certain hands, in certain territories and for certain industrial purposes. After all, we are out to introduce a state of things in which the blood of national vitality must flow through all veins and to the remotest corner of the country. But if certain sections and certain interests absorb the money of the country, it is no use blaming them, because, after all, they are following the biological law. After all, if the nation has to survive, it must have its biological law of taking recourse to that which means for maximum surety and safety for its existence.

Now, Sir, if I only illustrate this by certain incidents which happened recently in my unfortunate province of Bengal, which is unfortunate from various points of view. Certain banking concerns came to a tottering condition and then collapsed. It is all very undesirable. There must have been something very shady within these banks themselves. But that is neither the answer nor the diagnosis of the entire situation. After all, Sir, the Government have to stand by the people not only by good people but also by bad people. It is not the purpose of the administration merely to say that some people are good, and some are bad, the purpose of the administration is to see that bad institutions are brought round and that good institutions are made better. What is the cause of the failure of the banking organisations in this country? Several times, I expressed myself through interpellations on the floor of the House, as far as it is possible to express through interpellations, and I still maintain that if the Reserve Bank of India were of a more responsive character than many of these smaller banks in Bengal or for the matter of that in other parts of the country could have been saved. Here, I will not go the length of condemning the Reserve Bank of India for not having assisted the small banks, but I must say that the present constitution and structure of the Bank is such that inherently it was not possible for the Reserve Bank to be responsive to the needs of the small banks.

Sir Cowasjee Jehangir: Why?

Mr. Sasanka Sekhar Sanyal: Because in the first place, the Reserve Bank of India Act keeps the Reserve Bank into more direct contact with the scheduled banks and the reserves are made available only for the purpose of helping scheduled banks than for helping other banks which are not scheduled banks. This caste system in the banking structure of the country is directly, if not exclusively responsible for this chaotic condition in the banking world. As far as we in this House are concerned, all sections are out to destroy vested interests and caste system, we are out to destroy them not only in the political sphere, but also in the economic and social sphere. We shall start on a clean slate, provide equal opportunities for one and all. Whenever there is an artificial classification through a sort of caste system, we hope that the growing forces of the country will be such as to liquidate all such tendencies.

Now, Sir, coming to this question of vested interests, my Honourable friend Mr. Tyson has complained that there is a sort of prejudiced feeling that the Reserve Bank of India has a vested interest. Well, Sir, it has vested interest for the simple reason that whenever there is power but no corresponding obligation that is vested interest. The correct and the most accurate definition of vested interest is that a particular interest enjoys certain things but has no corresponding obligation. Here the Reserve Bank of India enjoys certain powers, but it has no corresponding obligations in the matter of the small banks. Sir, when this banking crisis came in among the small banks and when the Reserve Bank of India tried to do a little bit of shaking, their arms did not extend beyond the scheduled banks directly. The scheduled banks were tapped, nursed and cautioned and probably most of them were brought round. I am happy that many of the scheduled banks which otherwise would have gone

in for a crash were prevented from so doing because of the timely interference that was done by the Reserve Bank of India. Here again I maintain that the smaller banks which were not under the jurisdiction of the Reserve Bank of India by virtue of the present Act, they could not either get any aid or relief from the Reserve Bank of India and the Reserve Bank of India also could not take direct responsibility of dealing with these banks *vis-a-vis* the situation that arose. Therefore, I submit that if you are going to have a complete equilibrium in the otherwise conflicting forces of the economic currents in our country, we must have a sound, unassailable banking structure and this banking structure cannot be made sound and stable unless we have a uniform basis for all banks. Sir, it has been said on the floor of the House and also outside, I must say with very much justification for such an observation that on account of the shady and irresponsible tactics and practices, the smaller banks have gone in for a crash. I would go further and say that there is an amount of irresponsibility and unresponsiveness on the part of the small banks at the bottom as there is also unresponsiveness and absence of responsibility on the part of the Reserve Bank of India at the top. The Reserve Bank of India is hide bound by its own statutory privileges and not necessarily bound to fulfil the obligations which are imposed upon it by the Act. This is one class. There is another class. The Imperial Bank, which has its own caste and coterie. There is the other class, the scheduled banks and then the rank and file banks which have to take care of themselves and which can go on merrily for some time on their own unaided strength and then go out not only to its own discomfiture, but also to the discomfiture of many depositors.

Mr. President: The Honourable Member must remember there is a time limit for speeches on Resolutions. He has already taken 15 minutes.

Mr. Sasanka Sekhar Sanyal: I know, Sir, and I remember. I maintain that we must get rid of this caste system. If we want nationalisation it is not because we want nationalisation of one bank and the ordinary existing condition of things for other banks. We want complete nationalisation of all banking activities and in order to start that programme, in order to put that programme into implementation, we must have the Reserve Bank to start with. In this connection with the indulgence of the House, and particularly with the indulgence of the Honourable the Finance Member, I will make a reference to the report of the Select Committee on the Banking Bill which was submitted to the House by the Honourable the Finance Member yesterday. The House must have noticed that some Honourable Members of the Select Committee have made a direct recommendation that the Reserve Bank of India should be nationalised and that among other things for this reason, namely that in this Banking Bill we have not only recognised the powers that the Reserve Bank of India enjoys today but we have also proposed to give the Reserve Bank of India higher powers because we have realised that we must have a bankers bank which will give blood to all other banks, which will give brains for guidance to other banks and which will also serve as a shelter in times of crash and crisis. Since we are proposing to clothe the Reserve Bank of India with further powers, we are doing so on the assumption that the Reserve Bank of India will no longer remain an unresponsive, bureaucratic chamber of an out-dated Government. We expected, Sir, that the Reserve Bank of India will not only take into custody the surplus energy of the nation but it will also in its turn try to replenish the lost energy when such occasions arise. Therefore, Sir, while supporting the Resolution of Mr. Tamizuddin Khan, on behalf of at least one section of political thought in this country, I beg to submit that I am supporting it in the expectation that we are not only having a bank which will be the nation's bank but we are having a bank which will set in action the process of nationalisation of all banking resources as an aid to universal national planning which will do the greatest good to the greatest number.

Dr. Zia Uddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I support the motion. I remember in 1933 when this question was taken up, I spent about 20 hours on speeches which covered about a third of the two volumes of debates Vol. VIII, IV and I maintained that the Reserve Bank should be a State bank and not a shareholders bank. At that time, in 1933, we were living in an atmosphere which was not very conducive to the members of the legislature, and at that time the members of the legislature were considered to be untouchables, that they were not fit to take part in any discussions, that they were not fit to be members of any institution which might savour of business. Now, Sir, when this question was discussed in the London committee, then I raised this question in Whitehall and I had a fight with Sir Osborne Smith. He became so wild at my remarks that Sir Samuel Hoare came forward from his office to find out the cause of the uproar raised by Sir Osborne Smith. My Honourable friend Sir Cowasjee Jehangir will remember that scene because he was present at that time. They could not imagine our taking part in any discussion which savours of business. So much so that even in the case of the statutory railway authority they thought that a Member of the Legislative Assembly must take a bath in the Ganges or in the *abzumzam*, and after the lapse of two years he will be fit to be a member of the statutory railway authority or a director of the Reserve Bank. That was the atmosphere in which this Act of 1933 was passed. On that occasion I said that every authority who had discussed this question had said that it should be a State bank. It was discussed in 1927 when Sir Purshotamdas Thakurdas said that the question of shareholders' Reserve Bank had only to be considered in order to be rejected; and Mr. Ranganami Ayangar said that it ought not to be a shareholders' bank, but a bank which would be subject to the control of the Legislative Assembly, and a bank wholly Indian, acting wholly in the interests of India and able to help bankers in the difficult times ahead. Then the Banking Inquiry Committee unanimously recommended that the central bank should be a Government bank and not a shareholders' bank. That was also laid down very strongly by the Fowler Committee, the Chamberlain Committee, the Hilton-Young Committee, and in fact by every committee except this one which sat in London. I said even then that we were unworthy successors of worthy predecessors, but we were then considered by Government to be untouchables. I brought forward all kinds of arguments and when everything failed, I said to the then Finance Member Sir George Schuster who refused even to consider our arguments. I said that if John Stuart Mill had been there he would in the next edition of his book revise the chapter on Fallacies, because he had only mentioned 15 but the Finance Member had outstripped him by perpetrating a few more fallacies in his handling of the Bill, one of which was to say at every turn—because he had the majority of votes in his pocket—"I oppose" in reply to all the arguments that we could advance. I also said that he had only read the summary of Reserve Bank laws written by Kitsch. I had read the Reserve Bank Acts of all the countries in original as I could read German, French and Italian. He had not even got the original in the library, and as this debate took place on the 23rd December I made him a Christmas present of all these Acts. At that time he gave us no arguments except that we were untouchables who had no right to discuss anything about business. I said that if that was true of England the Secretary of State also had no right to interfere in matters concerning business in this country, because if we were untouchables Members of British Parliament including the Secretary of State were equally or more so. So all our arguments went in vain and with a majority of votes in his pocket the Finance Member got the Reserve Bank Act passed.

On that occasion I also pointed out several important things. I said that the shareholders by putting in 5 crores really took possession of large amounts belonging to the Government of India. At that time it was something like

three hundred crores; at present it is much more. I called these shareholders *nimbu nichores* because for the small sum which they paid they took charge of the entire assets. Then I pointed out that though these shares might be evenly distributed at the beginning ultimately they would be concentrated in a few hands and they would use it for their own purposes. That proved to be correct, because all the shares have now got into a few hands and they can arrange to become Directors and work in the interest of persons who are their friends and whom they want to benefit. I also pointed out then that in case of crisis the difficulties will be overcome not by the credit of the Reserve Bank but of the prestige of the Government of India. This also proved correct during the war. The late Finance Member Sir Jeremy Raisman introduced the rupee notes and I asked him what was the currency reserve behind these notes. He was led into a position which was against all economic principles but had to maintain that position, and he said that these one-rupee notes were really rupees and not banknotes; they were metal coins minted on paper. I remember I argued with him at one time that he should take over the Reserve Bank as a State bank and bring the necessary legislation. He said it was not necessary because for all practical purposes it was a State bank and the shareholders have no influence in its administration. I said that in that case it was better to call a spade a spade and not mislead banks and financiers all over the world to believe that it was a shareholders' bank while it was really a State bank. I am glad that my Honourable friend Mr. Tamizuddin moved a Resolution in this matter and I hope that the necessary legislation will now be introduced to make it a State bank. In that case the question of paper currency reserve which has become so difficult during war time will be solved. It is well known that every country has given up the classical theory of metallic reserve for paper currency. During the war no country—India included—could keep any metallic reserve behind the notes that they issued; and the sanction and guarantee behind these currency notes was the credit of Government. Then why not take the whole thing in your own hands? We hear of a disaster overtaking a group of banks in Calcutta. I think in a case like this the Reserve Bank, if it is a State bank, could have taken over the matter we would have discussed the question on the floor of the House and moved for assistance. Now we are helpless. But as it is a shareholders' bank it is beyond our jurisdiction and we are not in a position to discuss it on the floor of this House. This is one of the advantages which we anticipated and we suggested that the Reserve Bank should perform. It could not be performed because it became a shareholders' bank and we could not move a Resolution on the floor of this House that this Bank should come forward and help other banks at the time of crisis. A slight help given in time to the bank, which otherwise is managing its affairs properly, would stabilize its position. For instance, Allahabad Bank at one time was in great difficulties, but on account of the influence of Sir John Hewett, who was the Governor of the United Provinces at that time, this Bank was stabilised; he induced His Highness the Maharaja of Gwalior not to withdraw 50 lakhs which he had to his credit and which he wanted to withdraw. A little help saved the bank which was otherwise managing its affairs properly.

The other point which we pressed very strongly was that a large proportion of the profits of this Bank should come to the Government and a portion may be given to rural credit banks. But I do not remember that the Reserve Bank during the last 14 years of its existence has ever supported the Rural Credit Banks although an assurance was given on the floor of this House by Sir George Schuster that they would give assistance to these banks in order to stabilize the economic position of the village population of this country, and remove them from their indebtedness into which they had fallen. It was one of the strong arguments which we put forward in favour of a State Bank *versus* a shareholders' bank.

[Dr. Zia Uddin Ahmad.]

I again beseech the Government that this Bank ought to be taken up by the State. The position of the Government and the Legislature in 1947 is not the same as it was in 1933. At that time we were dictated by Whitehall; at the present moment we are dictated by Honourable Members on the Treasury Benches so that the position is different, and those apprehensions which then existed in the mind of the Finance Member do not exist now, and therefore I am sure that they will be able to accept the arguments which we put forward at that time in favour of the Bank to be a State Bank.

Sir, I would like to remind this House about the discussion which we had in the Assembly in 1927 during which Sir Victor Sassoon said that business people are in a better position to manage the affairs of the Reserve Bank and Mr. Jayakar said no, and he added that in the case of businessmen one businessman would not expose another businessman but one politician will always expose another politician on the floor of the House and so there was a greater chance of a corruption being brought to light if the Bank was run by the State. Businessmen conceal the shortcomings of one another so that people outside the business circles do not know what is happening.

With these words, Sir, I beg to support the Resolution.

Mr. P. B. Gole: I rise to offer a few remarks regarding the Resolution that has been put forward. I had given notice of an amendment which I withdraw because I thought from the speech of the Honourable the mover that he carried the same sentiments which were incorporated in my amendment, and therefore I did not like to move my amendment. I construed the original Resolution to mean that he wanted that this Reserve Bank should be one of the departments of Government just as there are other departments of Government, and I personally do not think that it should be the position of the Reserve Bank. Therefore I had given notice of an amendment.

Sir, as I read the Preamble of the Reserve Bank of India Act, I find that it was only constituted to regulate the issue of bank notes and the keeping of reserves with a view to securing monetary stability. Another object of the Bill was that in the present disorganization of the monetary system of the world it was not possible to determine what would be suitable as a permanent basis for the Indian monetary system. And the third object was to make temporary provision on the basis of the existing monetary system and to leave the question of the monetary standard best suited to India to be considered when the international monetary position has become sufficiently clear and stable to make it possible to frame permanent measures.

You will find, Sir, that when this Reserve Bank of India Act was passed in 1933 India was a debtor country and the monetary system of India was practically governed by London. Therefore the whole of the structure of the Reserve Bank of India Act is coloured with the dictation that came from Whitehall; that will be seen very clearly from the speeches that were made on the floor of this House when the Bill was being discussed. At that time Sir George Schuster, who was in charge of the Bill, pointed out to the members of this House that they must remember that they are a debtor country and their trade depends upon the volume of export trade from this country to other countries, and they will have to adjust themselves according to the needs of the other countries. Now, Sir, I find that the time has come when we should reconsider the matter from the very beginning. We are no longer a debtor country; on the contrary we are a very important creditor of the United Kingdom. The United Kingdom is indebted to us to the tune of about 1700 crores and therefore the conditions under which the Reserve Bank Act was passed have altogether changed and we must now consider our monetary system from an independent point of view where we as a creditor country can dictate to the other countries, and especially to the United Kingdom, as to the way in which our banking system would be carried on.

Another point that may be noted is that throughout this Preamble of the Reserve Bank Act, which I have just now pointed out, there is no mention about the help to be given by the Reserve Bank to the industries in India; for the development of the industries of India no provision has been made in the Preamble of the Act. As was just now pointed out by my Honourable friend, Mr. Manu Subedar, nearly 1600 crores will be required for carrying out the plans that have been chalked out for the development of industries in India. This could have been done if really speaking the constitution of the Reserve Bank had been a little different, and if the resources of the country could be pooled under the aegis of the National Bank of India. I find, Sir, that not only did the Reserve Bank not help any industry in India, but also it did not care to help agriculture in India. In fact, Sir, I find from the proceedings in this Assembly when the Reserve Bank Bill was being discussed that after great efforts from the non-official members, Sections 54 and 55 of the Reserve Bank Act were introduced. There, Sir, also, care has been taken as I find from reading Section 54A that the Reserve Bank was going to act as an adviser. The section says: "To maintain an expert staff to study all questions of agricultural credit and be available for consultation by the Governor General in Council, Local Governments, Provincial Co-operative Banks and other banking organizations." Now the Reserve Bank was going to act only as an expert adviser whenever any difficulty arose so far as agricultural credit was concerned. I may point out to the Assembly that in this respect, beyond issuing certain bulletins and giving some sermon on the mount, the Reserve Bank has never cared to help agricultural credit at all. I may remind the House that before the war was declared in 1939, there was a great crisis in the co-operative banking world. All co-operative banks in Bihar, in Orissa, in the Central Provinces and even in some parts of Bombay failed because somehow or other there was so much depression that the produce was not sufficient to pay for the expenses of agriculture. The result was that the banks had their money frozen. That was locked up in lands and the lands lost some how or other even the value for which they were mortgaged and the result was that the Banks had to close their doors. At that time it was the duty of the Reserve Bank to come to the help of the Provincial Governments. After all the co-operative movement was carried on under the direct supervision of the Provincial Governments and they were not simply philosophers and guides. They were checking the accounts and giving advice and giving orders from time to time for the conduct of Provincial co-operative banks. When there has been a provision in Section 54 of the Reserve Bank Act for not only expert advice but actual help so far as co-operative credit was concerned, the Reserve Bank at that nick of time failed to come to the help of the co-operative banks with the result that even the Provincial Governments lost credit. People of course lost their money and their confidence in co-operative credit. But when it was enjoined on the Reserve Bank of India to come to the help of these banks at this critical juncture they pointed out to section 54 and they said they would give advice and they satisfied themselves that they had carried out the instructions or the promises that were given on the floor of the House when this Bill was passed. I may point out to this Assembly that this was not what was expected of the Reserve Bank. After all agriculture was one of the most important industries in India at that time in 1937-38. By far nearly 85 per cent. of the population lived by agriculture, and therefore it was up to the Reserve Bank to come to the help of agricultural credit and save these banks from failure. Just as it was pointed out by Mr. Sanyal, so far as the commercial banks are concerned, those banks in Calcutta and Bengal which are failing, are not being helped by the Reserve Bank. The fact is, so far as the commercial credit of these banks is concerned, that it was up to the Reserve Bank to come to their help, to take over the management where necessary and weed out all those banks which were carrying on business in an unbanking manner. But the Reserve Bank said they were not Scheduled Banks and so they were not called upon to help

[Mr. P. B. Gole.]

those banks. What was the result? The Reserve Bank never cared to look into the question. Loss of credit, so far as commercial banks are concerned, will certainly act adversely on the co-operative banking world with the result that the Reserve Bank and the Imperial Bank at the most which is helped by Government, may survive but the other banks will suffer in credit. That was not the object of the Reserve Bank Act at all and had the Reserve Bank been constituted in a different manner as a State Bank or a national concern, perhaps these calamities which be fell the provinces at the time of the failure of the agricultural credit, or as what recently happened in Bengal, would not have arisen. Therefore the time has come. The Government has changed. Our constitution is also being changed. The first thing we ought to do at this juncture is to change the nature of the Reserve Bank. To give you an example. When the Labour Government came into power last year in the United Kingdom, the first thing they did was to propose the nationalisation of the Bank of England. Why is it that we are proposing, as was pointed out by Mr. Subedar of nationalising transport and railways, and other industries. But the first thing which is the fountain source for supporting all these industries we are not thinking of nationalising. First things must come first. What we have to do is to nationalise the Reserve Bank of India. This will be the fountain source for supporting all industries, even agriculture. My suggestion to the Government is that this Resolution which has been put forward by my Honourable friend, should be given effect to as far as possible. Of course, there may be certain difficulties in the way of Government. But I do not think that in order to transform this bank into a State Bank by paying the shareholders will be very difficult at all. On the contrary if we only change this bank into a State Bank and change the very constitution and preamble of the Reserve Bank, perhaps the Reserve Bank will be the fountain source for the support of so many industries that are crying for help.

With these words I support this motion.

Mr. K. G. Ambegaokar (Government of India: Nominated Official): My object in rising to speak is not to argue the case for or against the nationalisation of the Reserve Bank but to answer some of the criticism which has been levelled against the Reserve Bank. There is nobody here to speak on behalf of the Reserve Bank. I think in fairness to them their side of the case might also be presented.

My friend Mr. Manu Subedar mentioned several respects in which he thought the Reserve Bank had definitely failed to carry out their duty. The first point he mentioned was in regard to the duty of creating a bill market in this country. May I Sir point out that the very first thing that the Reserve Bank did in order to facilitate the creation of a bill market was to recommend very strongly both to the Central Government and to the Provincial Governments, the necessity of a reduction in the stamp duty and it was really through the efforts of the Reserve Bank that the rates of stamp duty have been brought down. I agree that that did not lead to the creation of a bill market. For that, however, the causes are historical, because, as my Honourable friend Mr. Manu Subedar knows very well, the reason why the bill market has not caught on in India is that it is a method of getting accommodation which is already falling into disuse in the rest of the world. It has been found that that is a mode which is more expensive than the method of taking overdraft or cash credits, in which case you do not have to pay a fixed rate of interest for a fixed period but you can go on paying the rate of interest on the amount actually borrowed and just for the period for which you have borrowed. I am sure it is quite clear to Mr. Subedar himself that it is not due to any failure on the part of the Reserve Bank that the bill market has not been created in this country.

The second point which he made was that it was expected that the remittance charges would be brought down on the establishment of the Reserve Bank of India and his point was that that has not happened. I am sure he very well knows that since the Reserve Bank came into existence various remittance facilities have been granted and as a result of that the remittance charges have come down. If he does not know if I should like him to read a very small publication called "The Remittance Facilities in India given by the Reserve Bank". It shows very clearly what are the various remittances which can be made and the rates at which they can be made.

Mr. Manu Subedar: The facilities are given to banks but they are not transferred to the bank's clientele or the general public.

Mr. K. G. Ambegaokar: That is not the fault of the Reserve Bank but the facilities are also directly available to the general public. Even you and I can go to the treasury if you want to remit a sufficiently large sum and get it at a very low rate, the rates laid down by the Reserve Bank.

The third point was in regard to certain sections of the Reserve Bank Act. He referred to section 55 of the Act and said that most of the things which were laid down there have not been done.

Sir Cowasjee Jehangir: What about Section 54?

Mr. K. G. Ambegaokar: I am taking the points as Mr. Manu Subedar made them. I am not going to forget Section 54. Section 55 (2) says:

"When the Bank is of opinion that the international monetary position has become sufficiently clear and stable to make it possible to determine what will be suitable as a permanent basis for the Indian monetary system and to frame permanent measures for a monetary standard it shall report its views to the Central Government."

I should like to know really when it was that the Reserve Bank would have made a report under this section. As every body in this House knows very well the Reserve Bank of India came into existence in 1935 and in 1939 the war came and there has never been a stable enough condition for the Reserve Bank to act under this heading and submit its report. So my Honourable friend's suggestion is unwarranted.

As regards the first part of this section *viz.*, "the extension of the provisions of this Act relating to scheduled banks to persons and firms, not being scheduled banks, engaged in British India in the business of banking" there is a long controversy going on in regard to the bringing of the indigenous bankers into the banking structure of the country.

Mr. Manu Subedar explained some of the recommendations of the Banking Enquiry Committee's Report. Those were the very recommendations which the Reserve Bank took up at the very beginning and I am sure Mr. Manu Subedar has read this Statutory Report of the Reserve Bank which was published in 1937 in which they have pointed out that they made an approach to the indigenous bankers exactly on the lines recommended by the Central Banking Enquiry Committee, *viz.*, on their shedding their non-banking business they would be brought into relations with the Reserve Bank but not a single indigenous banker was prepared to do that. Even the Central Banking Enquiry Committee has laid stress on this that they must shed their non-banking business. Even in my Honourable friend Mr. Manu Subedar's minority report that point was emphasised. It was because the indigenous bankers were not prepared to agree to that condition that it has not been possible for the Reserve Bank to start relations with them.

The second part of this section deals with the improvement of the machinery for dealing with agricultural finance and methods for effecting a closer connection between agricultural enterprise and the operations of the Bank. That is a very vast problem which of course nobody has been able to solve satisfactorily in this country yet. But the Reserve Bank has certainly given the

[Mr. K. G. Ambegaokar.]

greatest possible thought to this matter and there again I would suggest that it would be of interest to the members of this House to read the Statutory Report which the Reserve Bank published so long ago as 1937. The difficulty about agricultural finance is very well known. It is not a thing which can be ordinarily financed by even ordinary banks. That is why we found it necessary to have special types of banks called the co-operative banks. The difficulty about agriculture in India is that generally it has not been paying and it has been, as has been very often said in this House, a gamble in rain. On account of this uncertainty it has always been very difficult for banks to finance agriculture and it has been generally done by ordinary small money-lenders. Unfortunately the Reserve Bank found itself in this difficult position; it was supposed to be the lender in the last resort and it was to be the bankers' bank, and when banks would not themselves assist agriculture it was difficult for the Reserve Bank under its own act to do anything. But the Reserve Bank did not rest content with that. They said that it was a very unsatisfactory position and something must be done about that. Therefore a large amount of studies were made to find out what was the best method in which agriculture could be helped and the first conclusion that was reached was that before an agriculturist could be financed, he should be made creditworthy and on that the recommendation which the Reserve Bank made was that it was no use having merely agricultural credit societies for the agriculturists but you must start co-operative societies, multi-purpose co-operative societies as they are called, which will look to the needs of the agriculturists, try to make him credit-worthy, make his business of agriculture paying and then only the question of credit from banks would arise. That really brings me to Section 54, which says that the Bank shall create a special Agricultural Credit Department.

People in this House and outside seem to be under the impression that the Reserve Bank has done nothing in this respect, whereas I know it for a fact that the advice which the Reserve Bank has given in this connection is extremely valuable and very great indeed. It may sound absurd that the Reserve Bank should have given only advice and not money. I have given the reason why the Reserve Bank could not give the money. My Honourable friend Mr. Gole suggested that the Reserve Bank should assist even industries. It is no use making this an argument, as my Honourable friend did, for the nationalisation of the Reserve Bank when it is prohibited from doing these things under the Reserve Bank Act which was framed by this House. It was for the members of this House to have amended the Reserve Bank Act if they felt that the Bank was not doing certain things. To come down here and say that the Reserve Bank failed in this and that therefore let it be nationalised is extremely unfair. But that was not the point I was trying to make. So far as the work in regard to the agricultural credit department is concerned, those who have really had recourse to the Reserve Bank know very well how much the Reserve Bank has done. I know for a fact that Provinces and States, the Co-operative Movement and the Registrars of Co-operative Societies have been actively helped by the Reserve Bank. It is not a question merely of giving advice on paper but of actually working out their schemes, helping them to solve their problems, getting down to brass tacks and actually trying to solve their problems.

Mr. P. B. Gole: But no monetary help!

Mr. K. G. Ambegaokar: Monetary help is not provided in the Act and it was not part of the duties of the Reserve Bank. So far as that is concerned I may tell my Honourable friend that when I was in the Reserve Bank they were prepared to give monetary help to co-operative societies but they did not want it. I can assure the Honourable Member that in Berar the co-operative banks (with which my Honourable friend Mr. Gole was connected) had the money but they would not lend any more to the agriculturists because the money they had already advanced had got locked up. There was therefore no

question of the Reserve Bank coming forward with any money to give to Co-operative Banks. Was it or was it not the case that they had the money? The gentleman from the C.P. who was Registrar of Co-operative Societies would be able to bear me out. The only point I want to make out is that there is no use blaming the Reserve Bank for something provided for in the Act itself and make it an argument for nationalisation.

Mr. P. B. Gole: Did not the Berar Bank approach the Reserve Bank?

Shri Sri Prakasa (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Did not the Benares Bank approach the Reserve Bank? I myself approached the then Governor in 1939. All help was refused.

Mr. K. G. Ambegaokar: I am coming to that point. The Reserve Bank is not on trial. I am only saying certain things on behalf of the Government because there was some misapprehension.

An Honourable Member: Where is Mr. Ramnath?

Mr. K. G. Ambegaokar: There is no question of Mr. Ramnath coming and defending the Reserve Bank. As I said in the beginning, the difficulty of the Reserve Bank is that they have also got to act even in regard to Scheduled Banks in accordance with the rules prescribed in the Act itself. If a Bank gets into trouble and then goes to the Reserve Bank and asks it to advance money, or long-term loans on land—and land is not a security which the Reserve Bank can take into account under this Act—it is not the fault of the Reserve Bank if it cannot come to its help. So far as the Banks in Bengal are concerned, I can tell you that from the beginning and for the last four years the Reserve Bank has been telling them “you must do your business on certain lines; we are prepared to give you advice on general lines; not only that, but we are prepared to sit down with you, examine your method of working and tell you on what lines you are to work”.

Shri Sri Prakasa: And keep a lot of their money without interest.

Mr. K. G. Ambegaokar: In spite of the fact that the Reserve Bank has for the last so many years been warning the Banks in Bengal against speculative transactions, against large advances....

Seth Govind Das (Central Provinces Hindi Divisions: Non-Muhammadan): Why not stop speculation?

Shri Sri Prakasa: Why not abolish the Bank?

Mr. President: Order, order.

Mr. K. G. Ambegaokar: In spite of the advice of the Reserve Bank, they work on such lines that they find themselves in a position in which they have got no assets left, and if they then come to the Reserve Bank for help I do not think it is the fault of the Reserve Bank. It is not right to say that the Reserve Bank was not prepared to help.

Shri Sri Prakasa: The fault is ours to have given it birth.

Mr. K. G. Ambegaokar: My object in rising to speak was first to make it quite clear that the argument based on certain things which the Reserve Bank has done or has not done, because they could not do them on account of the Act as it had been framed, and to use that argument for saying that the Reserve Bank should be nationalised, is not quite proper.

Shri Sri Prakasa: Rationalise it if you cannot nationalise it.

Mr. K. G. Ambegaokar: It is not on the subject of rationalisation that I was going to speak, but to bring out the fact that the Reserve Bank has done several things which are not publicly known.

[Mr. K. G. Ambegaokar.]

The second point I wanted to make was that the Reserve Bank has been in existence for a very short time, and it has been working under very great difficulty. Hardly had it finished about five years of its existence when the war came on, and it had to work in all those circumstances. I think the surprise is not that it has done so little but that it has done so much.

Shri Sri Prakasa: That it has printed a lot of money?

Mr. K. G. Ambegaokar: I think I must answer that point also. The criticism about the Reserve Bank that it has helped inflation is also again wrong in this sense that there also what the Reserve Bank did was under this Act. Sections 40 and 41 which resulted in the creation of a large amount of money in this country were not the making of the Reserve Bank. Their hands were tied. If it was the desire of this House that the Reserve Bank should not create more money against sterling credit, this House should have taken action to repeal those sections. To come and say that it is the Reserve Bank which did all this is wrong. It is no fault of the Reserve Bank. And this is an argument against the nationalisation of the Reserve Bank, rather than for it.

Mr. Manu Subedar: Why did the Indian Directors acquiesce in this?

Mr. K. G. Ambegaokar: We do not know what the Directors did, whether they acquiesced in it or not.

Mr. President: The Honourable Member might finish whatever points he wishes to make.

Mr. K. G. Ambegaokar: I have finished.

Sir Cowasjee Jehangir: We talk of nationalisation. It is the fashion in this country to talk of nationalisation because we have got into the habit of copying what is said in the west. The west is now talking about nationalisation.

Mr. Manu Subedar: Russia or England?

Sir Cowasjee Jehangir: Everywhere. The infection has caught our country rightly or wrongly. When we talk of nationalisation I would like the House to be able to define exactly what nationalisation means.

Mr. Sasanka Sekhar Sanyal: You define it first.

Sir Cowasjee Jehangir: An industry or a commercial concern which is making great profits for its shareholders and for other individuals is taken over by the state in order to be able to get those profits for the state and in order to stop those profits going into the hands of individuals. That is one of the objects of nationalisation—a fair and proper object. The second object is that that industry or commercial concern should render service to the people of the country. Apply those two principles to the Reserve Bank. In the first place I think every Honourable Member knows that a larger portion, or the vast portion, of the profits of the Reserve Bank go to the Treasury. The subscribed capital is about five crores with a 4 per cent. return. You know, Mr President, as well as any other Honourable Member of this House that 4 per cent. return on their original capital is not, by any means extravagant. It is less tax of course. That is what the shareholders get. The rest of the profits go to the Treasury. With regard to service to the public, the Reserve Bank renders that service under the sections of the Act, as has just been explained. It can render such service as this House lays down by statute, or it can cease to render such services as this House decides. With regard to profits I have already answered the question as to where the profits go. If it had not been for those vast profits that had come into the Treasury. I think the Finance Members of the past would have had to sing a different song.

Shri Sri Prakasa: How do they make those profits, I want to know.

Sir Cowasjee Jehangir: From the credit of the Government and from government money. They are merely the agents of Government for making profits.

In this respect it functions as a State bank. Under this Act, deliberately the profits to the shareholders have been limited to the minimum amount. Therefore I am trying to point out that we are trying to nationalise an institution whose profits already go into the pockets of the treasury. If you nationalise that institution today, you will have to pay 5 crores at the very minimum to the shareholders from Government treasury and I should think that it will be 7½ crores, which would be justifiable because the price of the share today is about Rs. 148 to Rs. 150. You would have to borrow to the extent of about 7 crores of money and the profits which come into the treasury would not be increased, because under the Act as it is framed all the profits do come into the treasury. The services rendered have been explained by my Honourable friend, the Secretary to the Department.

Now, we have heard a great deal about the complaints of the Reserve Bank not coming to the assistance of small banks, scheduled banks some of them, when they are in trouble and I do wish that Honourable Members who are not directly interested in banking would understand what is demanded of the Reserve Bank by my Honourable friends in this House who are interested in small banks. I am talking frankly and I must not be blamed for talking frankly. If these small banks do speculate in good and bad times and make profits, those profits would go to the shareholders but if those banks make a loss in bad times, it is the Reserve Bank that is to come to their assistance and make good those losses and, mind you, Mr. President, when you talk of the Reserve Bank in that connection it really means the Treasury, because if the Reserve Bank loses money, it will be so much less to the Government treasury. My Honourable friends want in season and out of season that these small banks should be allowed to speculate and when they lose money it is the Treasury that shall make good the loss. I think that is an unreasonable attitude to take up and what is more it is in many cases misleading. If small banks can give security, certainly the Reserve Bank can lend but they have no security left to give. They have lost all and when the Reserve Bank would not come to their assistance at the cost of the Treasury, my friends say that the Reserve Bank has not done its duty. I do think that it is the duty of Government to see that the taxpayers' money is not used to bolster up commercial concerns that are badly and recklessly run. If they are so run, let them not come to the Government for assistance. That is what is being asked for and that is advanced as one of the reasons why the Reserve Bank should be nationalised.

Shri Sri Prakasa: Have we not got public hospitals for persons who have contracted disease, because, of their own faults?

Sir Cowasjee Jehangir: Look at the analogy, Mr. President. I only ask you to consider the analogy that has been placed before you. I say it is a complete damnation of the argument that has been raised. A sick man gets sick because of his own fault. Therefore Government must naturally come to his assistance and put him into a hospital at Government expense. I agree that may be so but you and I, Mr. President, can speculate as much as we like as directors of a bank. If the same analogy applies, we damage ourselves materially, and not physically and Government must come to our assistance. I wish my friend would use another argument.

Shri Sri Prakasa: Yes, yes.

Sir Cowasjee Jehangir: I say, Mr. President, that so far as the Reserve Bank is concerned, all the objects of nationalisation have been gained by the Act. The profits are yours the services that are to be rendered by the Reserve Bank are in your hands. It is for Government to decide what service the Reserve Bank shall perform by a change of the Act, if the Act is not satisfactory. It is one of the last institutions that requires nationalisation because nationalisation has been accomplished by the Act in practice, if not in theory and I can see no reason why it should be nationalised and what advantage Government or the people

[Sir Cowasjee Jehangir.]

will be able to gain. That may be my individual opinion. I may be wrong. I do not desire to be dogmatic but I do ask that before Government make up their mind on this rather important point they must realise that once they nationalise this institution the demands made upon it by interested parties throughout the country will be of a character that they may not be able to resist, and that assistance will be given at the cost of the taxpayer. Government must be prepared to face that demand. It may be that for other reasons nationalisation may be good but let the question be examined. If I may say so with due respect to all members of this Honourable House and to many of the experts who sit opposite, we are not in a position to examine this question impartially and with a critical outlook. That only can be done by an *ad hoc* commission or committee that Government may set up. Then they will see the facts in their proper perspective, realise what good or what damage they will do to the country. It is only then that Government can come to a conclusion and if after this examination Government come to the conclusion that this bank should be nationalised, I shall be the first to support Government in that project, provided that they can show us that the country and the Government will be benefited by so doing. Merely to talk as we are doing today does not take us much further. I trust that Government will not take any Resolution that may be passed as binding upon them. They are bound to thoroughly investigate this question and then give their verdict.

The Honourable Mr. Liaquat Ali Khan (Finance Member): Mr. President, I have listened to the debate with great attention and interest. My Honourable friend who has just sat down said that the Government should be very careful because if they accepted the principle of nationalisation there would be a great demand from interested people made on them to the disadvantage of the taxpayer. I believe that any Government worth name must resist any unreasonable demand that may be made from any quarter which would be ^{4 P.M.} against the interests of the country as a whole. I can assure Honourable Members of this House that as far as the present Government is concerned, it will resist any demand from any quarter which would be to the detriment of the country. The Joint Secretary of the Department spoke not so much to put a case either in favour or against nationalization of the Reserve Bank, but he took part in the debate at my request, because I felt that when certain allegations were being made against the Reserve Bank, who did not have a representative in this House, it was only fair that their point of view should be placed on the floor of this Honourable House.

[At this stage Mr. President vacated the Chair which was then occupied by Mr. Deputy President (Khan Mohammad Yamin Khan).]

It is quite evident from the speeches that there is a general desire in this House that this institution, the Reserve Bank, should be nationalised. I also notice that this desire is not so much on account of any deficiencies that have been discovered in the present set-up of the bank, but it is due on the general grounds that an institution playing such a vital part in the economic life of the country should be nationalised to secure proper co-ordination and integration of currency, credit and monetary policy with the Government's financial and economic policy. That, I understand, is the reason behind this Resolution which has been moved on the floor of this Honourable House.

As the House is aware, the present Government has taken office or has been in the saddle for a very short time and I think the House would not expect me at this moment to make a definite declaration with regard to this particular matter of nationalisation of the Reserve Bank. But, generally speaking, I might say that the Government are all in favour of nationalising any institution if it is found that it will be to the benefit of the country at large. That I may lay down as a general policy, and I can assure my Honourable friends that we

will give our most careful and sympathetic consideration to this proposition which has been placed before this House. If we are convinced that the nationalisation of the Reserve Bank will be in the interests of the country, we shall not hesitate to take steps in that direction. But I must give a warning to the Honourable Members of this House on this occasion. I hope that no Honourable Member desires that the Central Bank of the country should become a handmaid of the Government of the time. When we talk of nationalisation and if we decide to nationalise the Reserve Bank, we must see that whatever constitution is framed for that bank, although it will be public ownership, it will not play the part of a subservient agent of the Government, whatever it may be at the time.

I would like to acknowledge the willing co-operation which the Reserve Bank has given to the Government in the past. And as I have stated just now, this is a matter which needs very careful consideration and I can assure Honourable Members of this House, because I notice that there is a general desire on all sides of the House that the Reserve Bank should be nationalised, that this desire which has been expressed will receive our very careful and sympathetic consideration and we will give our very careful thought to this problem. I hope that my Honourable friend the Mover of the Resolution will accept that assurance which I have given, because at this moment I cannot promise anything more than this that we will consider this proposition and will give it our most careful consideration and sympathetic thought. If we find that nationalisation of the Reserve Bank is in the larger interests of the country and if we find that a ripe opportunity has come for taking action in that direction, we shall not hesitate to do so.

Mr. Tamizuddin Khan: Sir, it is very gratifying to note that the Resolution which I have moved has found general support in this House except from my right. I shall not, therefore, be very long in giving a reply to what has been said against my Resolution. Mr. Tyson thought that he had made a very good point against me when he said that I advanced the argument in favour of nationalisation on the ground that the Reserve Bank had been functioning satisfactorily. The House will remember what I said on that point. I wanted to dispel the fear of the Government in being hustled into hazardous undertakings, as the Home Member had said the other day. I tried to point out that there was absolutely no hazard, no risk in taking over the Reserve Bank of India, as it was a sound financial concern. Well, Sir, walls have ears. I advisedly did not like to utter the words on the floor of the House, that might damage the reputation of the Reserve Bank of India. I do not believe either that the Reserve Bank of India has been functioning unsatisfactorily on the whole. It may be that, as has been pointed out by some Honourable Members, the Reserve Bank of India has not acted fully up to the expectations that were raised. That may be so. But its financial position is sound. There is no gainsaying that fact. To my Honourable friend Mr. Tyson. I would say that my argument was not that because the Reserve Bank of India was not functioning satisfactorily therefore it should be taken over. I would put him this question. Various industries are being taken over in England by Government. Does my Honourable friend argue that his countrymen had, been mismanaging these industries and that is why the present Government of England are taking over those concerns? Certainly not. The criterion is not whether a particular concern is being run by private individuals satisfactorily or unsatisfactorily. The criterion is whether it holds a key position in the national economy of the country. That is why certain concerns are being nationalised in England. That is the object with which I moved my Resolution on the floor of the House.

Then, Sir, my Honourable friend Sir Cowasjee Jehangir also struck a jarring note. He triumphantly questioned whether those Members who have been supporting the Resolution were not copying the west. If he charges some of us with copying the west, may I ask whether he is not also copying the west.

[Mr. Tamizuddin Khan.] ❖

Is there not in England a party whom he is consciously or unconsciously copying in opposing a popular demand like this? I think he is. So far as we are concerned, we are copying none. He says that now-a-days it is a craze to copy blindly whatever is taking place in the west. May I ask what was there to influence the opinion of the Banking Enquiry Committee? That committee, also recommended that the central bank of India should be a State concern. Were they copying anybody? Then, Sir, I may remind the House, I was not a Member of the House at the time, about the debate on the floor of the House, on several occasions, when there was a large demand from non-official members that the Central bank should be a state concern. Were they also then copying the west? I think not. My Honourable friend Sir Cowasjee Jehangir would, certainly support such a contention. Sir, we are not copying anybody. We are copying, if anything, the general desire of the people of this country that a concern which holds such a key position in the economy of the country should not be the concern of a few capitalists but should be the concern of the people themselves so that the people may call the institution as one of their own. That is the main purpose of this Resolution. My Honourable friend is talking about two criteria for nationalisation, that nationalisation should take place only either to get profits out of a concern or to render some service to the people. Sir, I hardly need to reply to these questions. It is not a question of profit at all. The Reserve Bank of India, as I said just now, may till now be functioning very satisfactorily. But we are now turning over a new page in the history of India and we are going to spend hundreds of crores for national development. Under these new requirements, we do not want the present structure of the Reserve Bank of India to remain as it is, for we do not know whether it would withstand the strain or be helpful to the country as we would wish it to be. Therefore I think it would be the wisest course if the present Government of India thinks over the matter and sees whether this institution can be nationalised as early as possible. I am glad the Honourable the Finance Member has agreed that he would give serious consideration to the matter. I do not want that the Government should enter into a project without thinking over the pros and cons very carefully. I only wish that as on many other occasions, when the Honourable the Finance Member assures us of doing certain things, 'as soon as possible' that on this occasion, his assurance will not be of that stereotyped type.

The Honourable Mr. Liaquat Ali Khan: No, as soon as feasible.

Mr. Tamizuddin Khan: That it is a serious thing, he has admitted. I really hope that Government will lose no time to make such enquiries into the matter as it desires and come to a definite decision within a short time. I earnestly hope that the decision will be in favour of the proposition that the Reserve Bank of India should be nationalised. With these words and in view of the assurances given I beg leave to withdraw my Resolution.

The Resolution was by leave of the Assembly, withdrawn.

RESOLUTION *RE* RELEASE OF INDIAN NATIONAL ARMY PRISONERS

Khan Abdul Ghani Khan (North-West Frontier Province: General): Sir, I beg to move:

"This Assembly recommends to the Governor General in Council to release the Indian National Army prisoners immediately."

Sir, I do not wish to indulge in a long partriotic speech defending the ideals of the Indian National Army and condemning the Defence Department. We have had enough of that sort of thing on the floor of the House when we dis-

cussed another Resolution on the same point in the session before last. I only want to direct the attention of Honourable Members to one single point. The present Indian National Army men are condemned to prison not because they joined the enemy as Mr. Bhalja put it so poetically the other day, but because they are accused of brutality, of a crime against humanity, like the scape goats in Europe. The charge was shifted from revolt against the King to revolt against man, a revolt against ordinary human decency, to make the charge popular. The Defence department gave the poor dog a bad name and changed it. The greatest joke of this country was a court of soldiers trying other soldiers who were accused of brutality. It not every soldier trained to kill and be an efficient killer? Does not every Commander expected to be a master of organised death and destruction? They do not teach oil painting in Sandhurst. Let us face facts. A soldier is trained to be a brute, he is to be a brute if he wants to be a soldier. Tanks, rifles, bombers, rockets and flame throwers are not instruments of peace and prosperity but organised and mechanised instruments of killing, violence, destruction, bloodshed, cruelty and suffering. That is why I said that the I.N.A. trial for brutality was the greatest joke of this country. To teach a man for 20 years how to kill and slaughter his fellow-men and then sentence him to prison because he kicked or flogged one is ridiculous. If you are going to sentence people for brutality I am afraid you will have to start with the Honourable the Defence Member on whom rests the responsibility for producing efficient, healthy, patriotic brutes who will be able to shed anybody's blood for the sake of India. The whole situation is absurd. It is like a court of panthers sentencing to prison a few leopards because they hurt the feelings of a few goats. Brutality is the very core of our modern society. There is economic brutality, there is religious brutality and there is political brutality. It is all around us, we are soaked in it. So there is no point in bullying a few of our young men for something which is part and principle of our every-day life. To condemn a soldier because he is brutal is to condemn a singer because he sings or a farmer because he ploughs. There is no sense in the charge. When you teach a man and pay a man and praise a man to kill, you have no right to complain of his brutality,—least of all the high officials of the army. A General is a General, a Brigadier is a Brigadier, and a Field-Marshal is a Field-Marshal, not because they are the gentlest and most refined of human beings but because they can organise and arrange armies and divisions to bring forth quick and effective destruction and death. That is the plain truth without the frills. If this is a popular Government, if it is a Government that expresses the will of the people of India it must release these young men. We have not been convinced by the official tag—India has not been won over by this ingenious label by calling it brutality. That is why I have sent in this Resolution. This involves no loss of prestige to anybody. Readiness to be just is not an admission of weakness; it will not ruin the discipline of the armed forces, as we are told. On the other hand it will give them a motto and a principle, that the armed forces would be very badly in need of, that the real thing is to serve India, no matter in what form. Every day that these boys remain in jail is an admission on behalf of all of us that patriotism is a crime. Whatever these boys did they did because they love their country, because they wanted to make it free and prosperous. There is a proverb in Arabic. *Al Aamali Bin-niyat, i.e., actions can be judged only by intentions.* Whatever they did for the sake of India, India must honour and respect and cherish; and those who claim to honour and respect India ought to be able to understand that. And those who cannot understand that, the sooner they leave India the better for them and for India. Sir, whatever these unfortunate men might be, heroes or brutes, is not the point. The point is that every one in India has asked for their release with a single voice. That is a good enough reason for ending this little imperial show. No other reason is needed to convince Government that they must release these people immediately.

Sir, I move.

Mr. Deputy President: Resolution moved:

"This Assembly recommends to the Governor General in Council to release the Indian National Army prisoners immediately."

Mr. Ahmed E. H. Jaffer (Bombay Southern Division: Muhammadan Rural):

Sir, I rise to support whole-heartedly the Resolution so briefly moved by my Honourable friend from the frontier. I must say that it is our good luck that his Resolution has been balloted for today; otherwise after the ruling given by the Chair this morning there would have been no chance for us to discuss this question this year or at any rate during the current session. When the Leader of the House made his statement this morning on the first Resolution on today's agenda I expected that after the great controversy created by my Honourable friend Pandit Malaviya's efforts to bring forward his Resolution for discussion today the Leader of the House would have made a similar statement or at any rate a statement to assure us that this question was engaging the personal and careful consideration of this Government and that they would release these prisoners at an early date. I am afraid we were disappointed but possibly the Leader of the House may, at a later stage, get up and disclose the policy of this Government. Whatever that may be, I will only point out that those who occupied these benches a year ago and were subsequently transferred to the official benches should by now have released these people. This question was debated in the House on 4th February last year on Pandit Malaviya's Resolution. We heard speeches from Congress party members one after another demanding the early release of these prisoners, but I want to know what has been done since then. This Government came into power on 2nd September last; eight months have already passed. We from this side of the House condemned the Government then in power and demanded the release of these prisoners. I now ask our Honourable friends here to force the hands of their leaders who are in office today and see that these prisoners are released without delay. I want to ask them whether they believe in words or deeds. I believe in action. My Honourable friend Pandit Malaviya while moving his Resolution on 4th February last year said:

"The country does not look to this Government which happens to be functioning in this land today to protect the rights of its citizens and uphold the honour of its men and women. The country therefore will neither appreciate nor understand the members of this House who happen to come here as the result of a popular vote and ask the Government which unfortunately is in power in this country today to do things which they think should be done."

I am sure my Honourable friends will make it perfectly clear to this Government that we do represent the people and expect these prisoners who are in jail to be forthwith released. I should like to make the position of our party clear though I do not think any clarification is necessary. When this Resolution was moved by Pandit Malaviya there was an amendment moved by my Honourable friend Nawab Siddiq Ali Khan, to this effect:

"That for the original Resolution the following be substituted:

"That in view of the special circumstances under which most of the personnel of the Indian National Army joined it, and in view of the policy laid down by Government and the action taken by the Commander-in-Chief in dealing with the sentences passed by the Court-Martial, this Assembly recommends to the Governor General in Council to release all officers and men of the I. N. A. whether in detention or under trial."

Speaking on this amendment the then Defence Secretary Mr. Mason said in his speech that he agreed to this amendment but he brought forward his amendment to this amendment. He accepted the principle that these people should be released but he said that those should not be released who were charged with brutality. Speaking on this Resolution our beloved leader the *Quaid-e-Azam* made it quite clear that our party wants them to be released; and addressing Mr. Mason he said. "You Britishers have no doubt got your loopholes, you want to make scapegoat of poor Rashid and Burhanuddin." He said he did not mind whether they were Muslims or Christians or Parsis but that

the idea in the mind of the then Government was to make scapegoats of them. I can only say today that if the present Government is thinking of detaining these people they are only following the policy of the former Government. When I gave a short notice question on this subject a few days ago asking for some information as to the release of Captain Rashid and Captain Burhanuddin my Honourable friend the Defence Secretary while refusing to admit this question referred me to a subsequent question which was coming up before the House ten days later. And the reply then given by the Honourable Member was that the matter is under the consideration of Government. I want to know how long this matter will be considered by Government. This Government came to office eight months ago, and may I take it that this question has not been engaging the attention of this Government? I feel, Sir, that the best course for this Government would have been to have come forward, before the Resolution was moved today, to make their policy clear. They should have made it clear that it is in their minds to release them, and to release them at once; then we would have been saved the trouble of discussing this Resolution today. However, as I have said, our Party is for their release and we want that they should be released immediately.

Sir, I do not want to take up much time of the House by going into details as to why these people were tried and convicted. As my Honourable friend has just said, this trial which was staged by the then Government was one of the greatest farce of the century: To try people, convict them and then to quash their sentences; it was most unfair to detain a few as they are being detained today. I must say that the whole show was bad, and we strongly protest against the attitude and the policy which was laid down by the Commander-in-Chief. He no doubt made a discrimination; to release those, if I may say so, who were defended by the Congress organisation, and to detain those who were defended by the Muslim League organisation is no doubt a discrimination of the worst magnitude. Why were they not released? Why was Shah Nawaz, who was committed for abetment of murder, which amounts to murder, released whereas poor Abdur Rashid and Burhanuddin who merely asked their Muslim friends to join the enemy for their own safety and were charged of brutality have been detained. You will agree with me that our beloved leader is a well known lawyer and he clearly said on the floor of this House:

"But does not the Honourable Member see how absurd it is to say—I am assuming now that Rashid is guilty of grievous hurt—that a man who commits grievous hurt or some injury—that that is not a lesser offence than abetment of murder? Cannot you see that? Commonsense will show you that if a man is guilty of grievous hurt, that is a lesser offence in every sense of the word than murder or abetment of murder. Shah Nawaz and others were released. Why is poor Rashid made the victim of your change of policy."

I repeat those words and I bring them to the memory of the present Defence Secretary.

In the end, Sir, I would like to find out what is the future policy of Government with regard to those who have been released and who ultimately will be released. Are they going to be thrown on the streets after their release or is the Government going to make a provision for their future? I would suggest that they should be given jobs and absorbed in the various departments of Government. I would like to point out that some of the Provincial Governments are refusing to enlist I.N.A. people in the Police. You must show by your action that you really mean their welfare, and you want to help them. You must ask all the Provincial Governments to enlist them in Police service and in other Government services.

Before I conclude I would like to read two lines from the speech of our beloved leader, and I hope the present Government will follow that advice. Our leader while addressing the then Government said:

"You have won the war I said that not only the men and the officers of the I. N. A. but those who have died on the battle-field, fighting for you heroically—look after their

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families and their children; those who have returned having won the battles, treat them properly."

And I hope that this Government will look after them and treat them properly.

Shrimati Ammu Swaminadhan (Madras City: Non-muhammadan Urban): I rise to say a few words in support of this Resolution so ably put by my Honourable friend, Mr. Abdul Ghani Khan. There is not very much that one needs say about this. Last year during the Budget Session when this question came up the Government we had was a different one to the Members sitting on the Treasury Benches today. At that time we did not think that when the change of the Government came there would be any necessity to bring forward another Resolution on this question. We very much hoped then, we still hope, that those officers who were tried and imprisoned during the I.N.A. trials would be released without any delay and there would be no need to bring up this matter again before this House. My friend Mr. Abdul Ghani Khan, said a few minutes ago about these people being accused of having behaved brutally towards their fellowmen. I want to know, in war time, who judges what is a brutal action and what is a kind action? Surely killing a man is not a kind action any more than beating somebody? I do not understand the difference between beating a person or killing one as far as cruelty is concerned. In war time you allow people to be slaughtered by thousands but if a man is found charged with a certain amount of so-called brutality—such as beating or kicking another person—he is court-martialled and tried by military personnel and is found guilty and put in jail, and that becomes a bigger crime than that of killing. That is a difference which I cannot quite understand or follow. In this country it used to be that patriotism was a crime when we had a foreign Government. Surely today patriotism is not a crime and patriotism should be rewarded and not punished and we hope that we will soon see these I.N.A. officers, who are today in jail, released.

I would also like to say a few words about the point which has been made by my Honourable friend, Mr. Jaffer: What treatment is the Government going to give to these men who are not only going to be released but also those who are already released and who are wandering around this country today? Are we going to allow them just to wander around or are we going to see that they are all given proper jobs and are provided for, just the same way as the Government is proposing to provide for the ex-servicemen. The I.N.A. officers and men, who have fought for the independence of this country outside India, should also be treated in the same way and they should be rewarded for their services to this country and not punished.

With these few words I very strongly support this Resolution moved by Mr Abdul Ghani Khan.

Mr. Sasanka Sekhar Sanyal (Presidency Division: Non-muhammadan Rural): I join my humble support to the Resolution and while doing so—I am sorry my friend Mr. Jaffer is not here at the moment—I must tell him that while it was very encouraging on our part to see that today, as on the other occasion when both of us were in the Opposition, we are insisting upon the Government to release our comrades, it would be nice if we do the same thing in the proper way. But there is something which is disturbing a good cause by bad sting. Of all things today when both the Congress and the Muslim League are sitting on the Treasury Benches and when this question which is now before the House is not a question between the Congress and the League but one of the residuary questions between the Indian Nation as a whole and the British Government on the other hand, it is only fit and proper that the League and the Congress should have abjured any communal divisions amongst us and we

must strengthen the hands of our Government, which consists of the Muslim League and the Congress people in this matter. Sir, today no useful purpose will be served by making an academic discussion as was stated by Mr. Ghani. When we were in those benches in the opposition the last time, everyone amongst us thundered in our own way. The mighty leaders spoke, the back-benches spoke. But there was this common element, that these I.N.A. people were instrumental in bringing to our hands the proposition of Indian independence and that they must be released by all means. We insisted that the British people must not be allowed to keep in imprisonment these people who fought the battle of India's independence. That academic contest has gone. To-day, Sir, it is everybody's case that they ought to be released and also it is everybody's question: Why is it that they are not released? We will not talk in the spirit of condemning the Government but we will talk in the spirit of ascertaining the real trouble.

A reference was made to the question of brutality the other day by the Defence Secretary. Well, this brutality is an old story.

Mr. G. S. Bhalja (Government of India: Nominated Official): I did not make any such reference.

Mr. Sasanka Sekhar Sanyal: He said that they joined the enemy and that certain people were abroad. If I am wrong may I further be corrected by the Defence Secretary that in the matter of this prolonged discussion there is no question of brutality relevant.

Haji Abdus Sattar Haji Ishaq Seth (West Coast and Nilgiris: Muham-madan): Go on, get up!

Mr. G. S. Bhalja: The point at issue was quite different. I do not wish to enter into it now.

Mr. Sasanka Sekhar Sanyal: That is to say he has no argument in reply. It is one thing to contradict a Member speaking but it is quite another thing to correct him. I would like to be contradicted and further to be corrected. Well, my friend is a very typical parliamentarian. He knows the art of contradicting. [But as a Government spokesman he has not the generosity of correcting. To say that we are satisfied that these people are being detained among other things for reasons of brutality, is an old cry of Philip Mason from the very same benches. But Mr. Mason's cry did not convince any Members of the House, not even the Government people. They were talking because that was the brief they had to talk. To-day, if in the year 1947, in the middle of February, we are to talk and hear that old story of brutality, then I submit, Sir, that the hands of the clock have been moved back. But we will not let them be there. What is the question of brutality? I shall ask the simple questions. Why was Shah Nawaz convicted? Why was Burhanuddin convicted? Why was Abdul Rashid convicted? They were picked up from a bunch of other people. They were convicted on the ground of brutality. But what was the policy of the British bureaucratic Government in releasing the very same people who were convicted of brutality?

Pandit Balkrishna Sharma (Cities of of the United Provinces: Non-Muham-madan Urban): They were not convicted of brutality.

Mr. Sasanka Sekhar Sanyal: They were tried of murder and all that. But is it the Government's case that those things were equivalent to brutality?

Pandit Balkrishna Sharma: No, they were not.

Mr. Sasanka Sekhar Sanyal: I am confined to the spirit of the policy. (Interruptions). I am sorry that I have not been properly understood. They were picked up from a bunch of people because they were considered to be more

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dreadful and an example was sought to be made of them. What was the point of release? They were released as a token of concession to the mounting volume of public opinion. If that is so, may I ask this present Government, that if the British bureaucracy as a last act of their administration could make this concession to the public opinion of India by agreeing to release those persons who were picked up for trial in respect of certain typical offences, why is it to-day, when the British Government according to their admission are liquidating themselves, when the British Government do not propose to hold on here, and when the administration of the country is handed over to our own men, that people who could be released in spite of the verdict of the tribunal, constituted by that Government, for offences in connection with the battlefield, are not released by this present Government? There seems to be some catch somewhere. My reading of the situation is that the British Government is holding a trump card in their own hands. They have allowed some things to our nationalists who are at the helm of affairs. (But we must determine our position. It is no use Bills being brought up by Pandit Jawaharlal Nehru, by Sardar Vallabhbhai Patel or Mr. Liaquat Ali Khan. These Bills were brought up by previous Members. In small details they also agreed to accept the voice of the opposition and other sections of the House. Everybody knows that the Indian people measure their difference between this Government and that by the treatment that these powers are prepared to give to the patriots of different descriptions. Our Congress Members of the Government could never think of being in an administration unless and until they were able to release the political prisoners. As a matter of fact, the Congress Governments all over the country have directed the release of all political prisoners and they would not think of sitting in the Treasury Benches unless they were able to do so. Here on the same analogy I would expect the Members of the Government, not only the Congress Members but also the Non-Congress Members, who also, so far as the popular demand is concerned, feel and think alike, to make it a condition that they will not continue with the administration unless they have attained their object in the release of these people. It is a question of getting prestige from the support of the people. Well, these are the people who fought outside. They fought the same battle which was fought by people from inside. We hear gossips here and there that these people were found guilty of brutality and if they are released it would be demoralising to the existing structure of the army. This is nonsense because Pandit Jawaharlal Nehru was himself regarded as one of the most undesirable of people in India by the British Government. But he is now at the head of the present Government and those who served the previous Government are also ready at the beck and call of Jawaharlal Nehru and company. So it is no argument, if this argument is advanced that the army will be demoralised if these people who killed by brutality in the field of battle are released. Well, have it from me and convey it to the Members of the Government that the average Indian is not so much proud of his loyalty to the British Crown as he is of the performance of their colleagues and comrades who fought India's battle of liberty in the battlefields outside India.

Mr. M. A. F. Hirtzel (Bengal: European): Question!

Mr. Sasanka Sekhar Sanyal: There is no use of being disturbed by false cries and considerations. We want our Government to say that they have decided to release these men and that they are going to release them on particular days and times.

Babu Ram Narayan Singh (Chota Nagpur Division: Non-Muhammadan): Tomorrow!

Mr. Sasanka Sekhar Sanyal: Why tomorrow or the day after tomorrow? We want to be assured by our leaders, so far as we Congressmen are concerned. Every man in the country has some affection and respect for every I.N.A. man. What they did in the battlefield may be odious to the British power. What they did in certain other sectors may be odious to certain other sections in India but today every average Indian feels that if Independence is knocking at the door, if the Constituent Assembly has been inaugurated as an offer of bargain between Britain and India, one of the reasons is that just as Indians knew how to revolt inside the country, similarly the patriotic sons of India knew how to wrest power from foreign hands outside the country. Every patriotic activity must have its own reward. It is no use making a secret of the fact that when we go out and mix with our people in clubs, in our constituencies and other places we are faced with this question. They ask "You are now in the Government; why is it that you are not able to get the release of these people?" We cannot give them any answer. As a matter of fact it seems from the terms and the nature of the answers given by the Defence Department that this department is still a sort of residuary legacy of the past bureaucracy. Let there be an end of these things. When we hear replies from other members of the Government there is some sort of nationalistic approach but when we hear replies from my Honourable friend Mr. Bhalja, the department speaks through him and in every sentence of the answer given by him we are reminded of the old days when we used to be in chains even in this very House. Therefore we expect our leaders to take us into confidence. We want to be acquainted with their difficulties, so that if possible we can also offer our humble guidance to them. After all the Treasury Benches today are supposed to receive support and assistance from elected representatives of the people. It is the duty of the elected representatives to support the members of the present Government and it is also their duty to give guidance. Therefore I would request the Honourable the Leader of the House and also the Finance Member, who belongs to the Muslim League Party, that if there are real difficulties let us know about them. I understand from the speeches of the members of the Muslim League Party that their views are identical with the views of the Congress Party.

An Honourable Member: It is not.

Mr. Sasanka Sekhar Sanyal: The fundamental approach is the same, although my Honourable friend Mr. Jaffer unfortunately introduced some sort of communal colour into his approach which was not relished by us. Still making allowance for his youthful enthusiasm for his political ideology, the fact remains that the approach of both the League and the Congress (the two parties that count) is identical. The League wants the I.N.A. people to be released and the Congress wants the same. The Interim Government is manned by the leaders of both the parties. Then why are these men not released? If it is not possible for our leaders to place their difficulties in public, I would request you, Sir, and through you the leaders of the two parties, to let them convert this House into a private chamber, so that its proceedings may not be available to the public. Let us have a round-the-table discussion in order to assess their difficulties. This question has to be solved and the public at large must be made to understand why they are not being released and if there is any real difficulty, so far as I am concerned

Mr. Deputy President: The Honourable Member's time is up.

Mr. Sasanka Sekhar Sanyal: Sir, the time of the House is also going to be up. There are only five minutes and it will not be good enough for another speech. In my own humble way I would make an approach to the members of the Government. Let us hear that they have decided to release the men. If

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not, let us hear their difficulties to the extent that they can take us into their confidence and let us assure them that if they are strong and steady they cannot leave this matter unsettled for a long time. I submit that the combined wisdom and assistance of the House will give them that strength and help which will enable them to get these heroes out in the course of a fortnight.

Pandit Balkrishna Sharma: Sir, I had absolutely no intention of taking any part in this debate and especially at the fag end of the day but I was provoked into taking part in it by the manner in which my Honourable friend Mr. Jaffer spoke on the Resolution and supported it.

An Honourable Member: Ignore it.

Pandit Balkrishna Sharma: I have looked into the debate which took place on this very question last time. It is very unfortunate that in matters in which we of the Congress and the members of the Muslim League can see eye to eye certain rifts are introduced by these gentlemen of the Muslim League and certain matters extraneous to the case are brought in. At the time when this I.N.A. Resolution was last discussed Mr. Siddiq Ali Khan spoke upon this Resolution and he brought in various considerations and appealed to the Government for the release of Capt. Rashid and others. I would like to quote a sentence or two from his speech to show that the Congress and the Muslim League on this point do not see eye to eye. We may demand the release of these men and the Muslim League may also demand their release but there is a fundamental difference between the outlook which inspires my friends over there and the outlook which inspires my friends on this side of the House. I have waited patiently for so many months to see that a change is brought about in their outlook but I am really sorry to find that there has been absolutely no change in their mentality. When Mr. Jaffer was speaking he was condemning the Government, as if the Government, consisted only of the team of Pandit Nehru and as if from the Government the Honourable Mr. Liaquat Ali Khan, was absent. After all it is a joint responsibility.

Haji Abdus Sattar Haji Ishaq Seth: He never said that.

Pandit Balkrishna Sharma: In fact all sorts and manner of communal considerations were brought in. My friend Mr. Siddiq Ali Khan while supporting his amendment during the last session said that those young men joined this I.N.A., because after all they were afraid lest the Japanese should invade the country and so establish a Hindu Raj, in which case Muslim culture will be in danger.

Haji Abdus Sattar Haji Ishaq Seth: What is wrong with that?

Pandit Balkrishna Sharma: I will tell you what is wrong with that. You are thinking in terms of the medieval age, which is exactly what is wrong with it.

Haji Abdus Sattar Haji Ishaq Seth: We are thinking in terms of 1947.

Pandit Balkrishna Sharma: Muslim and Hindu cultures have been living side by side for ages and neither has been able to swallow the other. Both the cultures have thrived together and it is activities of gentlemen like you, Sir, which are responsible for the present position. I do not mean you, Sir, but it is the utterances and activities of my Honourable friends sitting on my right which are responsible for creating that rift.

Haji Abdus Sattar Haji Ishaq Seth: Or it may be you.

Pandit Balkrishna Sharma: You are there already

Mr. Deputy President: The Honourable Member should address the Chair

Pandit Balkrishna Sharma: As a matter of fact all of us want that these I.N.A. men must be released but surely today we cannot speak in the same strain in which we used to do a year ago. Of course the popular Government has been at work for eight months and for seven months the Coalition Government has been working and any man who has got any sense in his noddle must know that if Pandit Nehru and Mr. Liaquat Ali Khan have not been able to release the I.N.A. prisoners there must be something in the nature of a very great hurdle in their way, something which has prevented them so far to take a decision which this House would have liked so very much, and therefore there is no use having a fling at Pandit Nehru. The difficulties are there and we cannot

Mr. Deputy President: It is time for the House to adjourn for the day. The Honourable Member can continue his speech on another day for non-official Resolutions.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 20th February, 1947.