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THE
LEGISLATIVE ASSEMBLY DEBATES
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(28th March to 5th April, 1944)

TWENTIETH SESSION
OF THE
FIFTH LEGISLATIVE ASSEMBLY,
1944



LEGISLATIVE ASSEMBLY

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Mr. N. M. JOSHI, M.L.A.

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LEGISLATIVE ASSEMBLY

Wednesday, 29th March, 1944

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

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

SCALES OF PAY FOR CERTAIN EX-APPRENTICES OF JAMALPUR TECHNICAL SCHOOL.

672. *Seth Yusuf Abdoola Haroon (on behalf of Qazi Muhammad Ahmad Kazmi): (a) Will the Honourable Member for Railways please state if it is a fact that the rule regarding the old scales of pay for ex-apprentices of Jamalpur Technical School provides that "apprentices engaged prior to 16th July, 1931, on completion of their apprenticeship, if absorbed in regular establishment without any break in service, will be given old scales of pay"?

(b) Is it a fact that quite a large number of ex-apprentices on the East Indian Railway who could be directly absorbed in regular establishment on completion of their apprenticeship or reappointed prior to 16th July, 1931, have not been given the privilege of the old scales of pay?

(c) Have Government considered the advisability of relaxing the rule which governs the fixation of the new scales of pay in favour of persons who have been absorbed before 1st April, 1936?

The Honourable Sir Edward Benthall: (a) Yes.

(b) No; the Apprentices who were appointed with a break in service were correctly given the revised scales of pay; the break in their service was not brought about deliberately.

(c) Government have on more than one occasion reviewed the case and have come to the final conclusion that there is no justification for any alteration of the orders. Government do not propose to give any further consideration to this case.

OVERHAULING OF M. M. SECTION WORK IN RAILWAY CLEARING ACCOUNTS OFFICE.

673. *Maulvi Muhammad Abdul Ghani: Will the Honourable Member for Railways please state:

(a) whether it is a fact that the Deputy Director in the Railway Clearing Accounts Office passed order to overhaul the works of M. and M. Section in August, 1943;

(b) whether it is a fact that two officials were deputed to overhaul the said works;

(c) whether it is a fact that one of them checked the Military Special Train works of Dehu and Bombay of Great Indian Peninsula and Drig Road and Karachi of North Western Railway Stations only and detected undercharges of a very large sum, say, about a crore of rupees;

(d) whether it is a fact that he submitted a report in August or September last detecting such a large amount of under-charges to the Deputy Director; if so, whether the Honourable Member will please lay a copy of the said report on the table;

(e) whether the Deputy Director of the Railway Clearing Accounts Office took any action on the said report; if so, what;

(f) whether the Director of the Railway Clearing Accounts Office has yet received any such report of undercharges of M. and M. Section of the Railway Clearing Accounts Office; if so, when; and what action has been taken by the said Director on receipt of such report;

(g) who are the officers responsible for the works of M. and M. Section in the Railway Clearing Accounts Office;

(h) the exact amount of the said undercharges detected;

(i) whether Government propose to check Military Special Train works of other stations of various Administrations and lay on the table a statement of undercharges, if any, during 1942-43; and

(j) whether Government propose to take action against persons responsible for undercharges and also against persons responsible for supervising Accounts of M. and M. Section in the Railway Clearing Accounts Office?

The Honourable Sir Edward Benthall: (a) No.

(b) About 12 men have worked on this enquiry.

(c) Large undercharges have been detected and the checking is still in progress.

(d) and (e). Certain notes have, in the ordinary course, been submitted to the Deputy Director who has taken appropriate action.

(f) The notes referred to in the reply to (d) and (e) above were received by the Director and necessary action has been taken.

(g) The Assistant Accounts Officer in charge of the M. & M. Section.

(h) The amount of undercharges detected to date is Rs. 101 lakhs.

(i) Railways party to the Clearing Office have been informed about the undercharges on foreign traffic detected in the Clearing Office and the question of instituting a similar check for local traffic will receive consideration.

(j) If found necessary appropriate action will be taken in due course.

Maulvi Muhammad Abdul Ghani: Arising out of the answer to (f), may I know what is the date on which the Deputy Director submitted the report to the Director, Railway Clearing Accounts?

The Honourable Sir Edward Benthall: I should require notice of that question.

Maulvi Muhammad Abdul Ghani: May I know whether the Director, Railway Clearing Accounts, delayed the report for a long time?

The Honourable Sir Edward Benthall: I said that I should require notice of that question.

Maulvi Muhammad Abdul Ghani: Do Government propose to enquire into the matter about the unusual delay by the Director of Railway Clearing Accounts?

The Honourable Sir Edward Benthall: I am not aware that there was any unusual delay.

SCHEDULE CASTES LEATHER GOODS FIRMS APPLYING FOR REGISTRATION AS APPROVED GOVERNMENT CONTRACTORS.

674. ***Mr. Piare Lall Kureel:** (a) Is the Honourable Member for Supply aware :

(i) that some Scheduled Caste persons have applied for the registration of their firms among the approved Government contractors of leather goods and articles;

(ii) that some of these firms are very old and reliable, having served the Government in the Great War of 1914—18; and

(iii) that in spite of their repeated requests their firms have not been registered by the authorities concerned?

(b) What action does the Honourable Member propose to take in this matter?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: (a) My attention has been drawn to one firm in Cawnpore which has specifically mentioned that its proprietors belong to the Scheduled Caste. This firm has been registered in the office of the Controller of Leather Manufactures, Cawnpore, and has received orders for the supply of Harness and Saddlery items. The firm also applied for registration in the office of the Chief Controller of Purchase but the application was rejected. I have reason to believe that there are firms of the Scheduled Castes in other places which have been similarly registered but it is not possible to identify them as the names give no indication of the fact that they belong to the Scheduled Caste.

(b) In view of my reply to part (a) of the question this does not arise at present.

RAILWAY TRAINS RUNNING WITHOUT LIGHT.

†675. *Mr. Kallash Bihari Lall: Will the Honourable Member for Railways be pleased to state:

(a) if it is not a fact that these days most of the Railway trains are run at night without any light;

(b) if it is not a fact that 15 Up Delhi Express which ran between the night of 12th and 13th March, 1944, had no light except in the ladies and guard's compartment;

(c) if it is a fact that the supply of light in the trains has been curtailed for want of electric bulbs; and

(d) whether Government realise that darkness in the compartments of the running train means great risk to the person and properties of the passengers?

The Honourable Sir Edward Benthall: (a) Due to lack of bulbs it has been impossible to provide full lighting on all trains.

(b) Government have no information; and in view of the reply to the first part of the question no useful purpose would appear to be served by making enquiry in regard to this particular train.

(c) Yes.

(d) The difficulties experienced by the public on this account are fully appreciated and steps have been taken to expedite the delivery of electric bulbs.

EMPLOYEES PROMOTED TO STATION MASTERS' GRADE ON NORTH WESTERN RAILWAY.

†676. *Hajee Chowdhury Muhammad Ismail Khan: Will the Honourable Member for Railways please state the number of employees who have been promoted during the preceding five years to the posts of Station Masters Grade V on the North Western Railway and were exempted from having to pass the Course P-3 (previously T-1) in the Walton Training School, community-wise from 1st April, 1937?

The Honourable Sir Edward Benthall: No; I cannot undertake to collect such detailed information under present circumstances.

INDIAN RAILWAY CONFERENCE ASSOCIATION.

†677. *Hajee Chowdhury Muhammad Ismail Khan: Will the Honourable Member for Railways please state if it is a fact that the Indian Railway Conference Association is a non-Statutory body not incorporated under any statute; if not so, what is the correct fact?

The Honourable Sir Edward Benthall: The reply to the first part is in the affirmative. The second part does not, therefore, arise.

CERTAIN STATION SERVICE TELEGRAPH MASTERS.

678. *Sardar Mangal Singh: (a) Will the Secretary for Posts and Air please state if there exists a certain batch of Station Service Telegraph Masters who never accepted Station Service as their condition of employment? Were they recruited in 1920 in Local Service but forced to accept Station Service on pain of dismissal?

(b) Are Government aware that while in the Training Class they were at first offered the option of General Service but later were asked to accept Station Service or resign?

(c) Are Government aware that as a result of various representations, made year after year, Government in Director General's letter No. 42-4/25, dated the 6th December, 1926, stated that the case of these forced Station Service men would be sympathetically considered when the existing surplus in the General Service had been worked out?

(d) Are Government aware that this assurance was given effect to by Government when 92 such men were promoted in General Service in batches of 46 each in 1928 and 1930, respectively; and that similar transfers could have been made in 1926 but were deferred for want of funds?

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

(e) Are Government aware that recruitment to General Service was also continued from outside in these years although 67 such forced Station Service men were still awaiting?

(f) Are Government aware that out of these 67 men, 14 have passed the Telegraph Masters' examination and though confirmed in the Telegraph Masters' cadre are drawing less pay than the officiating Telegraph Masters recruited direct as General Service Telegraphists in 1930 (10 years junior to the former) and also less than the Telegraphists recruited in 1920 but who were fortunate to get General Service in the first two batches due to a small margin of seniority and both these facts have made the position of these 14 men quite untenable?

(g) If the reply to parts (e) and (f) be in the affirmative, do Government consider the advisability of transferring these 14 Station Service Telegraph Masters to General Service in the vacancies of General Service Telegraph Masters having retired or promoted? If not, why not?

Sir Gurnath Bewoor: (a) The Station Service Telegraph Masters referred to did accept Station Service as their condition of employment. They were recruited on probation in the grade of Telegraphists for the Local Service in the year 1920 and while they were under training Local Service was abolished. Accordingly, they were offered the option of accepting Station Service or resigning from the service. They accepted Station Service.

(b) No.

(c) Yes, but they are not 'forced' Station Service telegraphists.

(d) The reply to the first part is in the affirmative and to the second part in the negative.

(e) Recruitment to the General Service was continued until 1930. When it was stopped there were still a certain number of the old Local Service probationers remaining in the Station Service who were eligible for transfer to General Service.

(f) There are, I understand, about 12 such officials. The conditions of their service as Telegraphists differed essentially from those of men recruited for General Service and the position regarding their pay as Telegraph Masters is correctly stated by the Honourable Member. This is in accordance with the rules of the Department.

(g) No. The general conditions under which Station Service Telegraphists are employed remain unchanged on their promotion to the grade of Telegraph Masters. Therefore, they cannot be transferred to General Service Telegraph Masters' vacancies.

POSTS OF ASSISTANT ACCOUNTS OFFICERS AND SENIOR ACCOUNTANTS LOCALISED IN THE RAILWAY ACCOUNTS DEPARTMENT.

†679. ***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Will the Honourable Member for Railways please state if it is a fact that the posts of Assistant Accounts Officers and Senior Accountants have been localised in the Railway Accounts Department on account of which these officers will not be transferred from one accounts office to another office?

(b) Is the Honourable Member prepared to reconsider this question and issue orders that no officer or Superintendent, should normally remain in one office for more than three years, in the interests of the staff and the efficiency of the work? If not, why not?

The Honourable Sir Edward Benthall: (a) Yes, but this does not preclude individual transfers in the interests of the public service.

(b) No. Government do not agree that efficiency suffers on account of localisation of cadres.

ENQUIRY AGAINST THE DIRECTOR OF FINANCE, RAILWAY BOARD.

†680. ***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Will the Honourable Member for Railways please state if an enquiry was made by the Auditor General against the present Director of Finance, when he was working as Deputy Accountant General, Railways?

(b) If so, what was that enquiry about and what was the final result of the enquiry? Is it a fact that it was remarked that the officer should never be posted in the Head Office?

(c) Is it a fact that the enquiry file about the said officer is not traceable in the office? If so, what action is being taken on the missing of the said file, and of ascertaining about the result of the enquiry, and taking action thereon?

* **The Honourable Sir Edward Benthall:** (a) No. There are no papers to indicate that such an enquiry was made.

(b) and (c). In view of the reply to (a), the question does not arise.

HOLIDAY FOR *SHAB-I-BARAT* NOT GRANTED TO MUSLIMS ON BENGAL AND ASSAM RAILWAY.

†681. ***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Will the Honourable Member for Railways please state if it is a fact that the Muslim Staff of the Bengal and Assam Railway Accounts Department applied for Holiday on the occasion of *Shab-i-Barat*, a most important Muslim Festival, but were refused holiday by the Deputy General Manager on the plea that the Bengal Chamber of Commerce, a non-Muslim body, does not observe holiday on this festival?

(b) Was the Muslim Chamber of Commerce in spite of the request of the Muslim Staff not consulted? If so, will the Honourable Member please state under what circumstances a non-Muslim body was considered more authoritative for Muslim festival than a Muslim body?

(c) What action does the Honourable Member propose to take against the officer responsible for injuring the religious feelings of the Muslim Community and to allow the Muslim Staff a holiday on the occasion of *Shab-i-Barat* in future?

The Honourable Sir Edward Benthall: (a) and (b). The Honourable Member is referred to my reply to parts (a) and (b) of his Starred Question No. 556, asked on the 21st March, 1944.

(c) None, as Government do not admit that any one's feelings have been legitimately injured. As regards the second part, the Honourable Member is referred to the last part of my reply to part (c) of his Starred Question No. 576, asked on the 21st March, 1944.

APPLICATIONS FOR ACTIVE SERVICE FROM CERTAIN EMPLOYEES OF RAILWAY CLEARING ACCOUNTS OFFICE.

†682. ***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** Will the Honourable Member for Railways please state if it is a fact that certain men in the Railway Clearing Accounts office applied for active service through proper channel but their applications are not being forwarded by the Director? If so, will the Honourable Member issue orders to forward such applications? If not, why not?

The Honourable Sir Edward Benthall: Yes. While applications for Active Service from men in the Railway Clearing Accounts Office were in the past forwarded to the proper authority, and some of them joined service, present conditions of work in the Railway Clearing Accounts Office now make it difficult to forward such applications.

ALLEGED LOSS OF RAILWAY WARRANTS IN M. M. SECTION OF RAILWAY CLEARING ACCOUNTS OFFICE.

†683. ***Khan Bahadur Shaikh Fazl-i-Haq Piracha:** (a) Will the Honourable Member for Railways please state if it is a fact that last year the Warrants in the M. and M. section of the Railway Clearing Accounts office were used to be distributed for checking among the men who were quite ignorant of the checking work without counting and entering the same into register which resulted in the destruction of several Warrants of heavy amounts dealing with the traffic of Military special trains causing a great loss to the Railway Revenue?

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

(b) If so, will the Honourable Member please state if any investigation has been made and report put up? If so, with whom the report is lying now? If no investigation made, will he do so now?

The Honourable Sir Edward Benthall: (a) No.

(b) In view of the answer to (a) the question does not arise.

LABOUR UNREST IN KARACHI PORT TRUST.

684. *Seth Yusuf Abdoola Haroon: Will the Honourable Member for War Transport be pleased to state:

(a) if his attention has been drawn to the printed memorandum issued by Kazi Mohamed Mujtaba, General Secretary, Sind Provincial Trade Union Congress, under the heading "A few facts about the labour unrest in Karachi Port Trust";

(b) if it is a fact that the workers of the Karachi Port Trust have protested against the summary discharge of the then Vice-President of the Karachi Port Trust Labour Union;

(c) if it is a fact that the Vice-President of the Karachi Port Trust Labour Union has, along with twenty-five other workers, been retrenched recently, and that the workers of the Karachi Port Trust have protested against this;

(d) if it is a fact that the Labour Department have made certain recommendations with regard to the discharge of the Vice-President and other grievances of the Karachi Port Trust Workers; if so, to what effect; and

(e) if the reply to the above is in the affirmative, what action Government have proposed to take with regard to the fourteen demands by the workers specially—

(i) reinstatement of the two Vice-Presidents,

(ii) dearness allowance on the Railway scale,

(iii) three shift in crane, dredger and Port Department consolidated, and

(iv) restoration of cut in the salaries of ten laskars and one mate in the Port Department?

The Honourable Sir Edward Benthall: (a) Yes.

(b) A representation purporting to contain signatures and thumb marks of a number of workers of the Karachi Port Trust was received from Kazi Mujtaba.

(c) The number retrenched was 25 altogether. The answer to the second part is that a letter was received from Santosh Kumar forwarding resolutions purporting to have been passed at a general meeting of the Karachi Port Trust workers, one of which related to the discharge of these 25 men.

(d) Government are not prepared to disclose this information which is confidential.

(e) The matters mentioned in the question are under consideration.

Mr. Lalchand Navalrai: May I know from the Honourable Member whether the Government of India have referred this matter to anybody to be enquired into, and whether they propose to give some relief to the workers in the Karachi Port Trust?

The Honourable Sir Edward Benthall: The matter is under consideration.

Mr. Lalchand Navalrai: Is it proposed to appoint a committee to go into the matter?

The Honourable Sir Edward Benthall: No, Sir. There is no proposal of appointing a committee.

Seth Yusuf Abdoola Haroon: Do the Government propose to appoint arbitrators?

The Honourable Sir Edward Benthall: No, Sir. We do not propose to do so.

Mr. N. M. Joshi: May I ask whether the workers and the Union had asked for their grievances to be redressed?

The Honourable Sir Edward Benthall: Certain members of the Union did.

Mr. N. M. Joshi: May I ask whether workers in the Karachi Port Trust are regarded as men belonging to an 'Essential' service, and as men belonging to an 'Essential' service there are restrictions on their right to leave the work

and, under the circumstances, may I know whether the Government will consider their request favourably?

The Honourable Sir Edward Benthall: One of the troubles in this case is that certain men did leave their work without notice.

DEPARTMENTAL EXAMINATION FOR POSTS OF INSPECTORS, ETC., OF POST OFFICES.

†685. ***Mr. Ananga Mohan Dam:** (a) Will the Secretary for Posts and Air be pleased to state if it is a fact that the Departmental examination for the posts of Inspectors of Post Offices and R. M. S. and Head Clerks of Superintendent Post Offices has been a competitive one for the last ten years, but now since the year 1943 it has been reduced to a qualifying examination? If so, what are the circumstances under which the policy has been changed, as the system of competitive examination was adopted to do away with favouritism?

(b) Is it a fact that instructions have been issued for the guidance of the members of the board to have due regard to communal proportion in making selections, and is that the justification for giving up the old system?

(c) Is it also a fact that on the floor of this Assembly Sir Gurunath Bewoor replying to starred question No. 198 regarding recruitment in the cadre of Inspectors of Post Offices, etc., by means of a competitive examination said in March last as under:—

“The reasons for introducing this method which is by no means novel were (i) to remove all grounds for accusation of favouritism and prejudices associated with the old system of nominations, (ii) to improve the quality of the personnel in the Inspectors’ cadre from among whom the best are selected for promotion to the Superintendents’ cadre and (iii) to afford wider and more equal opportunities to the staff of the department to compete for these posts”?

Sir Gurunath Bewoor: (a) No. The system of competitive examination was introduced in 1938, and the revised rules were published in the Director-General’s, Post Office Circular No. 16, dated the 1st July, 1943, a copy of which is placed on the table of the House. The Circular explains the circumstances under which the revised rules were made.

(b) The reply to the first part of the question is in the negative. The latter part does not arise.

(c) Yes.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

DIRECTOR-GENERAL’S POST OFFICE CIRCULAR No. 16.

Thursday, 1st July, 1943.

Alterations in the existing rules regarding recruitment to the cadre of (1) Inspectors of Post Offices and Head Clerks to Superintendents of Post Offices and (2) Inspectors, Railway Mail Service.

GENERAL FILE.

The Government of India have had under review the present system of recruitment to the cadre of (1) Inspectors of Post Offices and Head Clerks to Superintendents of Post Offices and (2) Inspectors, Railway Mail Service, as laid down in rule 279/1 of the Posts & Telegraphs Manual, Volume IV. There have now been three examinations held under this system. The examination does not provide for a test of certain qualities which are essential for officials, in this cadre, viz., personality, mental alertness and good physique. It has, therefore, been decided by Government that the present system should be modified in order to provide a test for these qualities along with the written examination. For this purpose a Board will be appointed for each Circle to select suitable candidates from among those who have qualified in the written examination.

2. (i) The written examination will be held as heretofore, but the percentage of marks for qualifying in the examination will be 40 in each subject. The permissible number of chances for appearing at the examination will be three as at present.

(ii) The Selection Board will interview all officials who obtain qualifying marks in the written examination and make a selection, in order of preference, of the number stated in the circular announcing the examination. In making its selection the Board will take into consideration the past record of the officials, their seniority, personality, mental alertness and physique.

(iii) The Board will submit its recommendations to the Head of the Circle who will announce the result in a circular after the Director-General’s approval. The announcement made by the Head of the Circle will be final and no appeal will lie against his order.

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

(iv) If an official is not selected after having been interviewed by the Board, he will not be allowed a further interview by the Board unless he appears a second (or third) time for the examination, if eligible, and qualifies.

3. The Board will be appointed by the Head of the Circle with the approval of the Director-General, and will consist of three officers of the Department of equivalent status of whom at least one will be a Hindu and at least one a Muslim. It will be open to the Director-General to approve of the appointment on the Board of retired officers or officers from other Circles.

4. The names of the officials who have passed the examination will be communicated to the Selection Board in alphabetical order. The marks or order of merit of officials who have passed the examination will not be communicated to the officials themselves or to the Board but those who fail to qualify in the written examination may be informed of their marks in the various papers if they apply for this information.

5. Travelling expenses as permissible will be allowed to officials who appear for an interview before the Selection Board.

6. The revised rules will apply with effect from the examination to be held in August, 1943.

7. Orders relating to officials on Field Service to whom special concessions have been granted will issue separately.

RECRUITMENT EXAMINATION FOR SUBORDINATE SERVICES IN POSTS AND TELEGRAPHS DEPARTMENT.

†686. *Mr. Ananga Mohan Dam: (a) Will the Secretary for Posts and Air please state if it is a fact that recruitment examination for subordinate services in the Posts and Telegraphs Department in the cadres of clerks, Telephone Operators and Telegraphists has been for many years past a competitive one?

(b) Is it also a fact that conditions of admission to the examination have been equal for all candidates, irrespective of the community to which they belong, but that only recently the condition of age limit of twenty-one years in the case of minority community has been extended to twenty-two years? If so, why?

(c) Is it a fact that in all recruitments under the Central Government the conditions for admission to the examination are alike for all communities? If so, why has the Posts and Telegraph Department been made an exception to the general policy of Government?

Sir Gurunath Bewoor: (a) Yes, since 1937.

(b) The reply to the first part is in the affirmative. As regards the latter part, I may inform the Honourable Member that the age-limit for minority communities was extended by one year on the advice of the Standing Advisory Committee for the Posts and Air Department because it was considered that the inadequacy of the number of candidates from the minority communities to take up the full number of posts reserved for them was partly due to the upper age-limit having been fixed at 21 years.

(c) No. The latter part does not arise.

METHOD OF SELECTION OF OFFICERS FOR PROMOTION TO HIGHER GRADES IN P. AND T. DEPARTMENT AND R. M. S.

†687. *Mr. Ananga Mohan Dam: (a) Will the Secretary for Posts and Air please state if it is a fact that selection of officers and promotion to higher grades in the Posts and Telegraphs Department and R. M. S. were from time immemorial made on the basis of departmental examinations which have been modified by introducing the additional element of selection by selection boards?

(b) Is it a fact that according to Government orders, communal inadequacies are to be met by direct recruitment and not by indirect methods by selecting officers for promotion by selection boards? Do Government realize that such changes in the time honoured policy cause discontent amongst the staff concerned?

Sir Gurunath Bewoor: (a) Selection for promotion to officer's grade is not made on the basis of a departmental examination except in Telegraph Engineering and Wireless Service, Class II, for which a qualifying examination has

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

recently been prescribed. As regards the non-gazetted staff, there is a qualifying departmental examination for promotion only to the grades of Wireless Supervisors, Inspectors of Post Offices and R. M. S. and Telegraph Masters. In the latter two cases, the final selection up to the number required is made by Selection Boards.

(b) Orders regarding communal representation apply to direct recruitment only. Government do not agree that the selection of officials for promotion by Selection Boards is an indirect method of adjusting communal inequalities as the selection is made on merit and not on communal consideration. Government are competent to make such changes in policy as are necessary in the interest of efficiency of service and there can be no justification for discontent, if any, among the staff on account of such changes.

SELECTION OF CANDIDATES FOR APPOINTMENT AS INSPECTORS, ETC., OF POST OFFICES IN THE PUNJAB AND N.-W. F. P. CIRCLE.

†688. *Mr. Ananga Mohan Dam: (a) Will the Secretary for Posts and Air please state if it is a fact that communal rotation orders do not apply in cases of promotions? If so, why was it that in the Punjab and North West Frontier Circle the Selection Board appointed by the Director General, Posts and Telegraphs for selecting candidates for appointments of Inspectors of Post Offices, Superintendents and Head Clerks, in their first meeting referred to the model rotation formula prescribed for recruitments in initial clerical grades according to communities?

(b) Do Government propose to place on the table a statement showing the merits of candidates who qualified in the written test for Inspectors of post offices Examination held in the Punjab in August, 1943, as also the merits in the interview test by the Selection Board?

(c) What is the number of candidates who qualified in the written test according to communities, and the number actually selected from each community?

(d) Is it a fact that from amongst qualified candidates Christians have been selected cent per cent., Muslim 71 per cent., Sikhs 50 per cent. and Hindus 30 per cent.? If the reply be in the affirmative, why have the Hindu candidates, been so treated?

Sir Gurnath Bewoor: (a) The answer to the first part is in the affirmative. As regards the second part, there is nothing on record to show that the fact is as stated by the Honourable Member.

(b) No.

(c)

Community	Number qualified	Number selected
Hindus	20	6
Muslims	7	5
Sikhs	2	1
Indian Christians	1	1

(d) The reply to the first part is in the affirmative. As regards the second part, the communal orders do not apply to promotions and the selection by the Board has been made on merit. The question of the treatment of any particular community in any particular manner does not, therefore, arise.

SALARIES OF GRADUATES RECRUITED AS WIRELESS LICENCE INSPECTORS.

689. *Seth Yusuf Abdoola Haroon (on behalf of Qazi Muhammad Ahmad Kazmi): (a) Will the Secretary for Posts and Air please state if it is a fact that young University graduates were recruited more than five years ago as Wireless License Inspectors?

(b) Is it a fact that Inspectors of Post Offices are engaged in a grade of Rs. 160—10—250?

(c) Is it a fact that Wireless Licence Inspectors have got to do a good deal of work requiring responsibility and ability, but their salaries have not yet been re-fixed on a level with Inspectors of Post Offices?

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

(d) Is it a fact that the All-India Radio Department was confirmed some ten months ago, but the Wireless Licence Inspectors working under the Postmaster General have remained temporary, though working for the last eight years and have not yet been confirmed?

(e) Is it a fact that appointments to posts of Wireless Investigating Inspectors have been made from the clerks of the Postal Departments, and that the claims of the experienced Wireless Licence Inspectors, have been overlooked in this connection?

(f) In view of the long services and experience of the Wireless Licence Inspectors, have Government considered the advisability of re-fixing their salaries in the grade of Rs. 160—10—250, making them permanent, and considering their claims for promotion to the posts of Wireless Investigating Inspectors in preference to other persons of the Postal Department?

Sir Gurunath Bewoor: (a) Yes. Some graduates were appointed.

(b) Yes. The revised scale of pay is, however, Rs. 130—6—190.

(c) Yes, but the ability required and the responsibility involved are in no way comparable with those of Inspectors of Post Offices.

(d) Yes.

(e) Appointments of Wireless Investigating Inspectors are made from among the permanent officials of the Department only.

(f) Government do not consider that there is any justification for increasing the pay of Wireless Licensing Inspectors as suggested by the Honourable Member. The question of making the staff permanent will be examined.

WIRELESS LICENCE ESTABLISHMENT OF POSTS AND TELEGRAPHS DEPARTMENT.

690. *Seth Yusuf Abdoola Haroon (on behalf of **Qazi Muhammad Ahmad Kazmi**): (a) Will the Secretary for Post and Air please state if it is a fact that the Wireless Licence Establishment of the Posts and Telegraphs Department is working in collaboration with the All-India Radio Department, as was published in the *Listener* many years ago?

(b) Is it a fact that many Programme Assistants have been promoted to the posts of Assistant Station Directors and Station Directors in the All-India Radio?

(c) Have Government considered the advisability of giving the two new posts of Investigation of officers Inspectors, Wireless, in the Punjab and North West Frontier Province Circles after the expiry of the term of the present incumbents in March, 1944, to Wireless Licence Inspectors according to their seniority?

Sir Gurunath Bewoor: (a) Yes.

(b) Information is being collected and will be laid on the table of the House in due course.

(c) Presuming that the Honourable Member is referring to the posts of Wireless Investigating Inspectors, I would refer the Honourable Member to the reply I have given to part (e) of his question No. 689 today.

PAY, ETC., OF CERTAIN TELEGRAPHISTS.

691. *Sardar Mangal Singh: (a) Will the Secretary for Posts and Air please state the pay and grade of (i) the Circle Service Telegraphists, (ii) the General Service Telegraphists, and (iii) the Station Service Telegraphists?

(b) Is it a fact that telegraphists mentioned in (i) and (ii) are both transferable, the former within the circle and the latter throughout India?

(c) Is it a fact that cent per cent. Circle Service Telegraphists, who are able to manipulate high speed machines (Murray and Teleprinter), give more outturn than the other two classes of the telegraphists, the greater number of whom are unable to manipulate those machines and know only the slowest working method (Morse System) in the Department?

(d) Is it a fact that house-rent allowance is only paid to General Service Telegraphists, although both of them are transferable?

(e) Is it a fact that the scale of pay given to the Circle Service Telegraphists is even much less than the Station Service Telegraphists, although the latter are not at all transferable and remain throughout their service at the station of their choice?

(f) If the replies to (b), (c), (d) and (e) be in the affirmative, do Government propose to do justice to the Circle Service Telegraphists by granting them house-rent allowance and bringing up their scales of pay at least higher than the Station Service Telegraphists for the reasons given in (b), (c), (d) and (e) above?

Sir Gurunath Bewoor: (a) I would refer the Honourable Member to para. 78 and to section X on page 79 of the Manual of Appointments and Allowances of Officers of the Indian Posts and Telegraphs Department (Second Edition), a copy of which has been placed in the Library of the House.

(b) Yes.

(c) No.

(d) Under the conditions of their service, general service telegraphists are entitled to free furnished residential quarters or to house rent allowance in lieu thereof. No such allowance is admissible to the circle service telegraphists.

(e) Yes, but I may point out that the scale of pay for station service telegraphists, which the Honourable Member mentions, is the old scale of pay and there is no further recruitment to that service now.

(f) Does not arise.

HARDSHIPS OF CIRCLE SERVICE TELEGRAPHISTS IN DELHI.

692. *Sardar Mangal Singh: Will the Secretary for Posts and Air please state:

(a) whether Government are aware of the hardships of the Circle Service Telegraphists who have to attend their duties in the Central Telegraph Office, Eastern Court, but are allotted quarters at Karol Bagh at a distance of about five miles and the duties are shifting and they have to come to office at all odd hours;

(b) whether it is a fact that there have been cases of theft in their houses and attempts to molest their wives in their absence while they were attending their duties at night; and

(c) whether Government are prepared to accept the proposals (before the next allotment) to exchange those 25 E type quarters at Karol Bagh with those E type quarters recently built by the C. P. W. D. at the Baird Road and enable the Circle Service Telegraphists to come near the office and to relieve them of their hardships as soon as possible?

Sir Gurunath Bewoor: (a) The quarters at Karol Bagh are at a distance of less than three miles from the Central Telegraph Office and not five miles as is stated by the Honourable Member. Government do not consider that it involves great hardship in living about three miles distance from the place of one's work.

(b) It is understood that some cases of the kind mentioned by the Honourable Member have occurred but there is no reason to believe that the police arrangements in this area are inadequate. In the same locality there are numerous houses occupied by other persons.

(c) No.

Mr. Lalchand Navalrai: May I know whether it is a fact that the Anglo-Indian staff of the Central Telegraph Office are given accommodation on the upper floors of the Eastern Court? May I also know why is the Indian staff not given accommodation there or somewhere near the Telegraph Office?

Sir Gurunath Bewoor: Sir, there are some quarters in the Central Telegraph building itself and they are of un-orthodox type. Therefore these quarters are given to Anglo-Indians in preference to Indians who require orthodox type of quarters. These un-orthodox quarters are very limited in number.

Mr. Lalchand Navalrai: May I know if any Indians occupy these quarters at present?

Sir Gurunath Bewoor: I cannot say.

Sardar Mangal Singh: May I know whether the Honourable Member would consider the suggestion that those Telegraphists who are put on shifting duties are allotted quarters in the Minto Road area, which belong to the Telegraph Department, and shift the present occupants of these quarters, who have not regular office hours, to Qarol Bagh or some other locality?

Sir Gurunath Bewoor: The matter was examined in consultation with the Central Public Works Department and it was found that people who are living on the Baird Road are also employees who have equally inconvenient hours of work. There is, therefore, no justification in disturbing them and causing inconvenience to one set of Government servants as against others.

Sardar Mangal Singh: But I suggest that the quarters on the Minto Road, which belong to the Telegraph Department, are at present allotted to those people who have got regular office hours, namely 10 to 5. Is it not possible to transfer the Telegraphists who are living in Qarol Bagh and have to attend office at odd hours to the Minto Road area?

Sir Gurunath Bewoor: The Honourable Member in part (c) of his question mentioned Baird Road and not Minto Road. I have no information about Minto Road quarters.

Sardar Mangal Singh: I have put that suggestion in my supplementary questions. Some of the Minto Road quarters belong to the Telegraphs Department. I am suggesting that, if the Honourable Member would transfer the Telegraphists who are at present living in Qarol Bagh to Minto Road, it will solve the problem.

Sir Gurunath Bewoor: I will have the suggestion examined.

PLACING OF WIRELESS INSPECTORS UNDER POSTMASTERS IN THE PUNJAB AND N.-W. F. P. CIRCLE.

693. *Seth Yusuf Abdoola Haroon (on behalf of **Qazi Muhammad Ahmad Kazmi**): (a) Will the Secretary for Posts and Air please state if it is a fact that in the Punjab and North West Frontier Province Circles, Wireless Inspectors have been placed under the various Postmasters, while everywhere else they are working directly under the Postmaster General?

(b) If the answer to (a) be in the affirmative, what is the reason for this differentiation, and have Government considered the advisability of placing the Wireless Inspectors directly under the Postmaster General in those districts also?

Sir Gurunath Bewoor: (a) In the Punjab and N.-W. F. P. Circle, Wireless Licence Inspectors work under First Class Postmasters or Superintendents of Post Offices and in Bombay Circle two out of the eight Inspectors work under the control of Postmasters, the rest under the Head of the Circle.

(b) As regards the first part, the arrangements made are according to varying local conditions and in the best interests of efficiency. The reply to the second part is in the negative.

LIGHTS PROVIDED IN LAVATORIES OF RESERVED COMPARTMENTS OF GENERAL MANAGERS OF RAILWAYS.

694. *Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state:

(a) if it is a fact that General Managers who attended the Indian Railways Conference Associations' Meeting at Delhi in March, 1944, travelled in first class reserved compartments of the train service;

(b) if it is a fact that the lavatory of those compartments was fitted with electric bulbs;

(c) if it is a fact that lavatories of other compartments and carriages of the same train were without electric bulbs;

(d) if the reply to parts (b) and (c) be in the negative, what the correct fact was; and

(e) if the reply to parts (b) and (c) be in the affirmative, the reasons for differential treatment?

The Honourable Sir Edward Benthall: (a) Some of them did so.

(b) to (e). Government are not aware if the compartments in which General Managers travelled were all provided with bulbs. One General Manager has reported, however, that not only the bulb but also a light bracket was deficient in the compartment in which he travelled. Every endeavour is made to equip all compartments with at least one bulb. With the present greatly reduced supply of bulbs it is not possible to replace in full day to day deficiencies which arise through theft. Provision of bulbs, both in compartment and lavatories, depends on the number of bulbs available for each train each day.

Mr. Lalchand Navalrai: May I know from the Honourable Member whether they have saloons still?

The Honourable Sir Edward Benthall: They have them but some of them do not use them. They travel in ordinary compartments.

Mr. Lalchand Navalrai: And are those compartments by which they travel according to this question, reserved for them?

The Honourable Sir Edward Benthall: I have two such cases before me. In one case the officer reserved a coupe for himself and his wife and in the other case the officer concerned travelled in the ordinary train service and the coupe was not reserved.

SUNDAY AND OTHER HOLIDAY ALLOWANCES PAID TO ANGLO-INDIAN AND EUROPEAN GUARDS ON OLD EAST INDIAN RAILWAY SECTION.

†695. ***Mr. Kailash Bihari Lall:** Will the Honourable Member for Railways, please state if it is a fact that Anglo-Indian and European Guards on the old East Indian Railway Section (not on the old Oudh and Rohilkhund Railway Section) are paid Sunday and other Holiday Allowance, and Indians working on that Section are denied these allowances? If so, why?

The Honourable Sir Edward Benthall: Information has been called for and a reply will be laid on the table of the House in due course.

PRIVATE BOATS COMMANDEERED IN CERTAIN PROVINCES.

696. ***Mr. K. S. Gupta:** (a) Will the Honourable Member for War Transport please state how many boats have been taken away from the people of Bengal, Assam, Orissa and Madras Provinces since the war began?

(b) What is the purpose in doing so?

(c) How many of the boats captured were burnt or destroyed?

(d) What is the total compensation paid, and to how many individuals, and for how many boats?

(e) Is it not a fact that fishing trade suffered a good deal and thereby many who lived on fishing had to be thrown out of occupation? What was the remedy offered to such sufferers by the Government of India as a substitute for the loss of their earnings from fishing?

(f) Are the Government of India prepared to release the boats captured, and to return them to their respective owners? If so, when, and how many? If not all why not?

(g) Are the Government of India prepared to rebuild the boats destroyed, and to return them to their owners to rehabilitate them in their occupation as a war measure? If not, why not?

The Honourable Sir Edward Benthall: The question should have been addressed to the Secretary, War Department, who will reply to it on the 31st March, 1944.

DESIRABILITY OF ENCOURAGING INLAND WATER TRANSPORT.

697. ***Mr. K. S. Gupta:** (a) Is the Honourable Member for War Transport aware that the vast river systems of this country have been immobilized in the past, and that a cheap means of transport has been denied to the masses?

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

(b) Are the Government of India prepared to give instructions and directions to Provincial Governments to use river traffic as much as possible?

(c) Would the Government of India give the necessary assurance to Provincial Governments that they would not stifle inland water transport?

The Honourable Sir Edward Benthall: (a) No.

(b) The subject "inland waterways" falls within the Provincial Legislative List and is mainly the concern of Provincial Governments. It is the policy of the Government of India to encourage inland water transport to the maximum extent possible. Provincial Governments are fully aware of this policy and have taken steps to develop this form of transport with the assistance of the Central Government where necessary.

(c) The question does not arise.

Sardar Sant Singh: Have any practical steps been taken or devised by the Central Government by which this river transport should be organised?

The Honourable Sir Edward Benthall: Certainly, Sir, in all provinces.

APPLICABILITY OF INDIAN CRIMINAL LAW TO AMERICAN TROOPS STATIONED IN INDIA

698. *Mr. H. A. Sathar H. Essak Salt: (a) Will the Foreign Secretary please state whether the American troops stationed in this country are subject to the ordinary criminal law of India?

(b) Have the Indian Police powers to arrest or detain for a limited period any person belonging to the American Military Forces if he is found in the act of committing a criminal offence, for instance, trespassing a house in a drunken condition or breaking open a door?

(c) If the police have no powers of arrest or detention, what is the civilian population to do where they are molested by a person belonging to the American Forces?

(d) Is there a Special Military Police charged with the duties of arresting or taking cognizance of offences committed by American troops? If so, what is the location of this Police and what are the means available to the public of establishing contact with them immediately? Have any steps been taken to inform the public of the facilities available to them?

(e) Is there any agreement in virtue of which the powers of the Police and the Courts in India in respect of American Military Forces is barred? If there is any agreement, will the Honourable Member place a copy of it on the table of the House?

(f) What are the powers of the Police when they see a member of the American Troops committing a crime? Have they even no power of detention for a short while with a view to hand them over to the military authorities for purposes of being dealt with according to the law applicable to them?

Sir Olaf Caroe: (a) The Honourable Member is referred to sub-section (1) of section 2 of the Allied Forces (United States of America) Ordinance, 1942, which provides that, unless upon representation made on behalf of the Government of the United States of America in any particular case the Central Government otherwise directs, no criminal proceedings shall be prosecuted in British India before any Court of British India against a member of the Military or Naval Forces of the United States of America.

(b) Yes. Sub-section (2) of the same section expressly saves any powers of arrest, search, entry or custody exercisable under the law in force in British India with respect to offences committed or believed to have been committed against that law.

(c) and (d). Do not arise.

(e) The powers of the Police are not barred. The powers of the Courts are barred by the Ordinance which, as the preamble thereto recites, gave effect to an agreement recorded in notes exchanged between the Central Government in British India and the Government of the United States of America. A copy of the notes in question is laid on the table. They should be read with the note addressed by Mr. Anthony Eden to the American Ambassador in London, which is reproduced in the Schedule to the United States of America (Visiting Forces) Act, 1942, of the United Kingdom. That Act was published

in a *Gazette of India Extraordinary*, dated the 26th October, 1942, a copy of which is in the Library.

(f) The Honourable Member is referred to the reply to part (b).

No. 8491-X/42.

From The Secretary to the Government of India in the External Affairs Department,
To The Secretary in charge of the office of the Personal Representative of the President of the United States of America to India, New Delhi.
New Delhi, the 29th September, 1942.

SIR,
I enclose a copy of the United States of America (Visiting Forces) Act, 1942 which has recently been enacted in the United Kingdom. The military authorities of the United States of America in India have long been anxious that similar legislation should be enacted in India which is not included in the territories to which the United Kingdom Act can be applied by Order in Council under section 3 thereof. A draft Ordinance, of which a copy is enclosed has been prepared with a view to give effect to their wishes.

2. You will observe that the United Kingdom Act is expressed to give effect to the Agreement recorded in the Notes exchanged between His Majesty's Government in the United Kingdom and the Government of the United States of America, and that those Notes are set out in a Schedule to the Act. It is felt that the Indian Ordinance should in like manner give effect to an Agreement in the like sense between the Government of India and the Government of the United States of America, and I would propose for your consideration that this letter read with your reply thereto be regarded as constituting an Agreement between the two Governments to the arrangements and understandings *mutatis mutandis* set out in the Note addressed by Mr. Anthony Eden to the American Ambassador in London.

I have etc.,
(Sd.) H. WEIGHTMAN,
Secretary to the Government of India.

710/820.

From The Personal Representative of the President of the United States.
No. 50. *New Delhi, October 10, 1942.*
To The Secretary to the Government of India in the External Affairs Department,
New Delhi.

SIR,
I have the honour to refer to your note of September 29, 1942 indicating that the Government of India is prepared to enter into an agreement with the Government of the United States giving the American Military authorities in India exclusive jurisdiction over criminal offences which may be committed in India by members of the American Forces; and to make the agreement effective by an ordinance, a proposed draft of which was attached to the note.

The Government of the United States agrees that your note and this reply shall constitute an agreement between the two Governments to the arrangements and understandings *mutatis mutandis* set out in the note of July 27, 1942 addressed by Mr. Anthony Eden to the Ambassador of the United States in London which was included in a schedule to the United States of America (visiting Forces) Act, 1942, 5 and 6 Geo. 6, Chapter 31.

It is understood that the agreement shall be in force from the date on which the proposed Ordinance of the Government of India takes effect.

I have the honour to be
SIR,
Your obedient servant,
(Sd.) NORRIS S. HASELTON,
Secretary-in-Charge.

Mr. Muhammad Azhar Ali: Does the Honourable Member mean that the Indian Penal Code will not apply to the Americans in India?

Sir Olaf Caroe: Yes.

Mr. H. A. Sathar H. Essak Sait: It comes to this that an American soldier can be arrested but cannot be tried. Is that the position?

Sir Olaf Caroe: That is the position.

Mr. H. A. Sathar H. Essak Sait: Then, Sir, what happens to the soldier who is arrested.

Sir Olaf Caroe: He is handed over to the American authorities and tried by the American naval, military or air courts.

Mr. Lalchand Navalrai: Are they really tried in India or are they sent away to America?

Sir Olaf Caroe: I cannot tell the Honourable Member that!

Sardar Sant Singh: Is there any watch kept by the Government of India as to how the prosecution is conducted and what are the results?

Sir Olaf Caroe: No, Sir.

Mr. Hooseinhoy A. Lalljée: Are any Indian lawyers able to appear before those Courts?

Sir Olaf Caroe: I require notice of that.

Mr. Lalchand Navalrai: Has any American been arrested here and sent up to the American court or authorities?

Sir Olaf Caroe: I have no details of individual cases.

Mr. N. M. Joshi: May I ask whether this arrangement with the American Government is mutual or only one-sided, *viz.*, that the American here cannot be tried but the Indian can be tried in America by an American Court?

Sir Olaf Caroe: I will refer the Honourable Member to the notes laid on the table. I think it is mutual, but I am not sure whether there are any Indian forces or British forces in America.

Mr. Lalchand Navalrai: May I know whether the Honourable Member means that upto now the Americans have not committed any offence for which they could be arrested?

Sir Olaf Caroe: No, Sir. I do not see how that inference arises from my answer.

Mr. Lalchand Navalrai: So they have been arrested in some cases?

Sir Olaf Caroe: I have no information of individual cases. It is not my business to keep watch of actual arrests that take place.

Mr. Muhammad Azhar Ali: Has the Honourable Member been informed that in Delhi there have been several accidents due to Americans plying lorries along the Delhi roads?

Sir Olaf Caroe: I have seen notices in the press and also certain complaints regarding fast driving by the military, American and others.

Sardar Sant Singh: May I know if the Government of India has any duties in this respect to know what is happening in the American Courts when offences are committed in Delhi or in India?

Sir Olaf Caroe: No, Sir, because the person against whom a complaint is lodged is handed over under this agreement to be dealt with by the American Courts and that becomes the responsibility of those courts.

Sardar Sant Singh: Does the Government of India keep any information about what is happening there?

Sir Olaf Caroe: The Provincial Governments would naturally be interested in what happens and I imagine that the local Government in Delhi would be interested too.

Sardar Sant Singh: Have the Government abdicated entirely in favour of the Americans?

Sir Olaf Caroe: Justice cannot be conducted by two authorities at the same time.

Mr. T. S. Avinashilingam Chettiar: May we know who conducts the prosecution in those cases?

Sir Olaf Caroe: I require notice of that.

Mr. N. M. Joshi: May I know whether the Government of India or the Provincial Governments ask for the reports of cases which are handed over to the Americans as to what happens in those cases?

Sir Olaf Caroe: As far as I am aware they have not asked for any reports.

Sardar Mangal Singh: What happens if any Indian commits an offence against the Americans?

Sir Olaf Caroe: He is tried in the British Indian courts in the ordinary way.

Mr. H. A. Sathar H. Essak Sait: Has the Government received any representation in Delhi at least with regard to any incidents that took place when the police refused to interfere?

Sir Olaf Caroe: I cannot quite catch the Honourable Member.

Mr. H. A. Sathar H. Essak Salt: Has the Government received any representation in Delhi of such instances where the police refused to interfere?

Sir Olaf Caroe: As far as I am aware, the Government of India has received no special representation. The Chief Commissioner may have received them.

EXPORT OF BENZOL MANUFACTURED IN INDIA.

†699. ***Sir Abdul Halim Ghuznavi:** Will the Honourable Member for Supply please state:

(a) whether it is a fact that a huge quantity of Benzol manufactured in India is exported from this country; if so, the quantity exported per month;

(b) whether it is a fact that this Benzol manufacture was undertaken in this country with original intention of utilising this as motor fuel in combination with petrol to meet the motor fuel shortage;

(c) if the answer to (a) is in the affirmative, how Government are managing the transports, both railway wagons and fuel tankers; and

(d) why this Benzol is not utilised in India as motor fuel and in the manufacture of Aniline, which is one of the essential ingredients to manufacture sulphanilamide group of drugs?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: (a) A certain quantity of Benzol is produced in India and a part of it is exported for important military purposes. It is not in the public interest to state quantities.

(b) No.

(c) Benzol is transported inland in railway tank wagons; for export, empty tankers returning are used.

(d) Benzol is not used as a motor fuel because it is required for more important purposes. A small quantity of aniline is manufactured in India, but due to lack of equipment, which is of a very specialised nature, production is very uneconomical.

UNITED STATES FOREIGN ECONOMIC ADMINISTRATOR AND PURCHASE OF COMMODITIES IN INDIA.

700. ***Mr. T. T. Krishnamachari:** Will the Honourable the Supply Member please state:

(a) whether his attention has been drawn to a note appearing in the *Commerce* (Bombay), dated the 4th March, 1944, wherein it is stated that Mr. Leo T. Crowley, the United States Foreign Economic Administrator, recently stated that Missions have been sent to countries, amongst others, India, to expedite purchases and provide assistance, where required, to increase production;

(b) whether the local office of the United States Economic Administration has approached the Government of India, in order to implement the policy outlined by Mr. Leo T. Crowley; and

(c) if the answer to (b) is in the affirmative, the commodities in which the United States Foreign Economic Administration is interested?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: (a) Yes.

(b) No.

(c) Does not arise.

UNSTARRED QUESTIONS AND ANSWERS

CATERING ARRANGEMENTS FOR LOCAL TRAFFIC BETWEEN STATIONS A FEW MILES APART.

194. **Hajee Chowdhury Muhammad Ismail Khan:** Will the Honourable Member for Railways please state the arrangements made to cater for purely local traffic between stations a few miles apart which is not the function of fast long-distance trains; and if it is a fact that the fast long-distance trains arriving at and leaving from Delhi before August, 1942, stopped at Shahdara in the morning at about 6 and in the night at about 9; if not so, what is the correct fact

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

and do Government now propose to stop the trains passing through at Shahdara in the morning at 6 and in the night at 9; if not, why not?

The Honourable Sir Edward Benthall: The requirements of local traffic between Delhi and Shahdara are met by 10 Up and 10 Down trains a day which stop at Shahdara. Of these six are N. W. Railway trains and four E. I. Railway trains. It is a fact that before August 1942 two E. I. Railway fast long distance trains did stop at Shahdara. Of these, one still stops at Shahdara while the running of the other has been discontinued in pursuance of the policy of curtailing train services to meet present day conditions. Since there are already ten passenger trains each way serving Shahdara, it is not proposed to recommend to the Railways concerned the stoppage of other trains at that station.

NON-PAYMENT OF COMPENSATION FOR BOOKED LUGGAGE UNDER CERTAIN MILITARY WARRANT FROM LALMANIR HAT TO DELHI-SHAHDARA.

195. Hajee Chowdhury Muhammad Ismail Khan: Will the Honourable Member for Railways please refer to his reply given to unstarred question No. 132, asked on the 13th March, 1944, regarding the non-payment of compensation for articles not delivered under Way Bill No. 187480 of 23rd May, 1942, and state the results of the enquiries made?

The Honourable Sir Edward Benthall: Enquiries show that of the two packages booked as luggage under Luggage Ticket No. 187480 of 23rd May, 1942, *ex* Lalmanirhat to Delhi-Shahdara one was lost *en route*. A claim was preferred but was repudiated because the missing package contained excepted articles of a value of over Rs. 100 and had not been insured as provided for by the rules. I should mention that the claimant was the actual owner of the package and was not the widow of a member of the Defence Services.

DEPARTURE TIMES OF NORTH WESTERN RAILWAY COACHING EXPRESS.

196. Hajee Chowdhury Muhammad Ismail Khan: Will the Honourable Member for Railways please state the number of days during the preceding six months on which train No. 67, North Western Railway Coaching Express left Delhi at schedule time, *i.e.*, 19-40?

The Honourable Sir Edward Benthall: During the last six months ending 20th March, 1944, the N. W. Railway 67 Up Coaching Express left Delhi 28 times at scheduled time.

SECTIONS ON NORTH WESTERN RAILWAY SERVED BY RAIL MOTOR CARS.

197. Hajee Chowdhury Muhammad Ismail Khan: Will the Honourable Member for Railways please state the Sections on the North Western Railway which are served by the Rail Motor Cars together with a statement of the average daily collections of III class tickets, at stations on those Sections by Rail Motor Car Traffic along with the average daily collections of III class tickets, at Delhi, Shahdara and Ghaziabad, and the reasons for not providing similar facilities for the passenger traffic between Delhi and Ghaziabad?

The Honourable Sir Edward Benthall: Rail Motor Cars are running on certain sections of the N. W. Railway, but detailed information is not readily available. The compilation of this information would involve considerable time and labour which is not justified in war time. As regards the third part, Delhi-Ghaziabad section has an adequate trains service, having 14 passenger trains each way a day, and I understand the Railway Administration do not consider the employment of Railcars desirable over this section.

POSTS CREATED TO MEET INCREASED PASSENGER TRAFFIC ON STATE RAILWAYS.

198. Hajee Chowdhury Muhammad Ismail Khan: Will the Honourable Member for Railways please state the proportion of the posts created to meet the increased passenger traffic since August 1942 in each class of Non-Gazetted Services on each State-managed Railway; if not, why not?

The Honourable Sir Edward Benthall: Government regret they cannot undertake to collect such detailed information under present circumstances.

PERSONS ARRESTED FOR THEFT OF ELECTRIC BULBS FROM ROLLING STOCK.

199. Hajee Chowdhury Muhammad Ismail Khan: Will the Honourable Member for Railways please state the number of persons arrested for the theft of electric bulbs from the Rolling Stock and how many of them were convicted?

The Honourable Sir Edward Benthall: Government have no information and the circumstances do not appear to justify the time and labour involved in the collection of this information.

EXPENDITURE ON ELECTRIC TORCHES FOR TICKET CHECKING STAFF ON EAST INDIAN AND NORTH WESTERN RAILWAYS.

200. Hajee Chowdhury Muhammad Ismail Khan: Will the Honourable Member for Railways please state the amount expended by the East Indian and North Western Railways respectively for the provision of Electric Torches to their Ticket Checking Staff?

The Honourable Sir Edward Benthall: Electric torches are not issued to ticket-checking staff on the N. W. Railway. Information in regard to the E. I. Railway is not readily available.

INCREASE IN PAY AND DEARNESS ALLOWANCE FOR NON-GAZETTED RAILWAY SERVANTS.

201. Hajee Chowdhury Muhammad Ismail Khan: Will the Honourable Member for Railways please state if he has any proposal under consideration for the increase in pay and in dearness allowance of the Non-Gazetted Railway Servants, if so, what is that and when it is likely to be given effect to; if not, why not and what is the living index of date?

The Honourable Sir Edward Benthall: As regards pay, some adjustment in regard to certain categories of staff is under consideration but Government is not in a position to indicate what the decision is likely to be. In regard to Dearness Allowance, revised rules have lately been issued having effect from the 1st March, 1944. As regards the last part, there is no single cost of living index for the whole of India.

STEPS FOR RELIEVING OVERCROWDING IN TRAINS.

202. Hajee Chowdhury Muhammad Ismail Khan: Will the Honourable Member for Railways please state the steps taken to relieve overcrowding and to provide adequate accommodation for the travel by rail of the civil population; if not, why not?

The Honourable Sir Edward Benthall: Government are fully alive to the fact that accommodation on many trains is insufficient to meet public demands, and that the only real solution would be an increase in passenger services. In the existing war-conditions, however, and having regard to the coal situation, this solution, unfortunately, is impracticable and will remain so for some time to come.

Such palliative measures as are possible have been taken, viz., the prohibition of the booking of motor cars by passenger trains so as to enable more passenger carrying vehicles to be attached, and the provision of extra rolling stock up to the hauling capacity of the engine. Steps have also been taken to exercise a stricter check on ticketless travel.

The only direction in which the present crowding can be mitigated to any large extent is by a reduction in travel and Government are now concentrating on an intensive nation-wide propaganda campaign to this end.

BUNDLE OF UNCHECKED WARRANTS FOUND IN RAILWAY CLEARING ACCOUNTS OFFICE.

203. Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Will the Honourable Member for Railways please state if it is a fact that Pandit Chhajju Ram, a Superintendent of the Railway Clearing Accounts Office, after the shifting of the M. and M. Section from Sadar building to Ludlow Castle found a bundle of unchecked and unexchanged warrants relating to a very back period?

(b) Is it a fact that after about a month the fact, by chance, came to the notice of higher authorities that a bundle of warrants was found and was made

over to the Section concerned by the said superintendent without bringing the facts to the notice of higher authorities? If so, what action has the Honourable Member taken or proposes to take against the superintendent who, being a responsible officer in the office, tried to conceal the facts instead of bringing them to light?

The Honourable Sir Edward Benthall: (a) Yes; a few bundles containing some warrants and other papers were found by this Superintendent.

(b) This was brought to the notice of the Deputy Director by the Superintendent himself at a later date.

MEN PROMOTED OUT OF TURN AS SUB-HEADS AND CLERKS IN RAILWAY CLEARING ACCOUNTS OFFICE.

204. Khan Bahadur Shaikh Fazl-i-Haq Piracha: Will the Honourable Member for Railways please state the number of men promoted and confirmed out of turn as subheads and clerks, class I, in the Railway Clearing Accounts Office from 1st January, 1935, up till now and the number of Muslims among them?

The Honourable Sir Edward Benthall: During this period 44 men were confirmed in the grade of subhead out of turn, of whom 6 were Muslims.

As regards promotion to class I, 25 men were confirmed in this grade out of turn from 1st January 1935 to date. This number includes 18 persons (17 Hindus and 1 Muslim) who, on account of their good work and special qualifications, were considered specially suitable for class I. They had all passed the Appendix III examination which is the highest departmental examination. Out of the remaining seven promoted out of turn, two were Muslims.

CHECKING OF MILITARY WARRANTS IN RAILWAY CLEARING ACCOUNTS OFFICE.

205. Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Will the Honourable Member for Railways please state if it is a fact that last year the Assistant Accounts Officer of the M. and M. Section of the Railway Clearing Accounts Office used to distribute military warrants for checking among clerks who were quite ignorant of the checking work?

(b) Is it a fact that the warrants were neither counted nor entered in any register for taking initials of the clerks at the time of distribution?

(c) Is it a fact that the clerks among whom this work was distributed were allowed honorarium?

(d) Is it a fact that several warrants of heavy amounts dealing with special trains were destroyed and not taken to accounts by these clerks, as they were quite ignorant of warrant checking?

(e) Is it a fact that the Railway concerned are claiming for the warrants to be accounted for, but that the warrants are not forthcoming as these were destroyed by the clerks?

(f) If the replies to parts (a) to (e) above are in the affirmative, what action does the Honourable Member propose to take against the officer responsible for the above irregularities, and also against the Head of the department who allowed such irregularities and did not try to check them?

The Honourable Sir Edward Benthall: (a) No.

(b) No.

(c) Yes, for overtime work.

(d) No.

(e) Claims of non-party railways against party railways and *vice versa* arise in normal working and are due to numerous reasons.

(f) Does not arise.

DESIRABILITY OF GIVING OLD SCALES OF PAY TO CLERKS APPOINTED PRIOR TO 1ST AUGUST, 1928, ON EAST INDIAN RAILWAY.

206. Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable Member for Railways please state if it is a fact that some clerks, about fortysix in number, appointed prior to 1st August, 1928, in the East Indian Railway Stores Department, Howrah, in a permanent capacity, were fixed *en bloc* in the revised grade V of (1928)?

(b) Is it a fact that several representations were made against this fixation and, ultimately, the East Indian Railway authorities in their Minute Sheet A.E. 388/2 of the 24th June, 1935, in continuation of the then Agent (Sir G. L. Colvin) Circular No. 485/A.E. 388 of the 1st October, 1928, held that these clerks were entitled to the benefits of the old grade like others, and were to be re-fixed in the old grade V (Rs. 33—4—87)?

(c) Is it a fact that a number of these clerks have been so re-fixed in 1940 in the old grade?

(d) If the answer to (c) be in the affirmative, have they been re-fixed on general principles or for any particular reasons? If so, what?

(e) Is it a fact that a large number of them are yet in the revised scales of pay and are suffering considerably on account of their rates of pay?

(f) Has the Honourable Member considered the advisability of getting the decisions of the Department implemented, and getting this large body of staff re-fixed in the old scales of pay?

The Honourable Sir Edward Benthall: (a) Yes, except that Government have no information about the exact number of men.

(b) The reply to the first part is in the affirmative. As regards the second part, those Packers who were promoted as Clerks between the 1st October, 1928, and the 1st April, 1931, and who had been given the 1928 co-ordinated scales of pay, were held entitled to the old scale of pay.

(c) A number of the Clerks referred to in the reply to part (b) had their pay re-fixed in 1940.

(d) They have been given the old scales of pay in accordance with certain revised orders issued in 1935.

(e) and (f). Orders have recently been issued that those Packers who were in permanent service prior to the 1st October, 1928, and who on promotion *en bloc* to posts of Clerks had been given the 1928 co-ordinated scales of pay, should be placed in the old scales of pay with effect from the 1st January, 1944. This is an *ex-gratis* concession and the men concerned will not be entitled to any arrears of pay.

GRADES OF PAY FOR CLERKS ON EAST INDIAN RAILWAY.

207. **Qazi Muhammad Ahmad Kazmi:** (a) In connection with the answer to starred question for the 16th November, 1943, regarding grades of pay for clerks on the East Indian Railway, will the Honourable the Railway Member please state if it is a fact that the East Indian Railway old grade V (Rs. 33—4—87) and the revised grade V of 1928 (Rs. 28—3—52) and the grade of 1934 (Rs. 30—3—45/5—60) were fixed as the result of the economic conditions prevalent at the time?

(b) Is it a fact that rates of pay in the same grade and for the same work for those appointed in 1928 provide a maximum of Rs. 52 only, while for those appointed before or sometime after, they allow a maximum of Rs. 87 and Rs. 60, respectively, and this difference is causing great dissatisfaction amongst the staff?

(c) Is it a fact that the Dearness Allowance granted to the staff does not take into consideration this aspect of the initial difference in pay?

(d) Has the Honourable Member considered the advisability of removing the complaints arising from this treatment to persons belonging to the same grade, and bringing them to the same level and removing an old grievance?

The Honourable Sir Edward Benthall: (a) The scales of pay were considered adequate at the time they were framed to attract the requisite number of men to railway service.

(b) The reply to the first part is in the affirmative. As regards the second part, when staff in the same grade have been engaged at different times on different scales of pay, there is apt to be discontent.

(c) Yes, it is a fact.

(d) Government are not prepared to admit that the present position is iniquitous, and do not propose to take any action.

INTERMEDIATE CLASS PASSES FOR STAFF APPOINTED AFTER 1928 ON EAST INDIAN RAILWAY.

208. Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable Member for Railways please state if it is a fact that due to the various scales of pay in grade V on the East Indian Railway, and the minimum of a salary of Rs. 76 per mensem being the condition for the grant of an Intermediate Class Pass, the member of the staff appointed after 1928 can have no chance of ever getting an Intermediate Class Pass?

(b) Is it a fact that the menial staff, consisting of Chaprasis and others, are all given Third Class Passes?

(c) Have Government considered the advisability of so changing the Pass Rules as to allow the clerks an Intermediate Class Pass at least in cases where they have to travel on duty?

The Honourable Sir Edward Benthall: (a) It is a fact that persons drawing pay in grade V of the E. I. Railway, viz., Rs. 28—3—52 from 1923, and Rs. 30—3—45/5—60 from 1934, are entitled to third class pass only until they begin drawing Rs. 76 and above on promotion to higher grades.

(b) Yes.

(c) Representations to this effect have been received but Government do not consider that any such relaxation of the pay limits is justified.

MAXIMUM PAY FOR CLERKS IN GRADE V ON EAST INDIAN RAILWAY.

209. Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable Member for Railways please state if it is a fact that clerks in grade V on the East Indian Railway are allowed maximum of Rs. 87 in the old scales of pay, while it is Rs. 52 or Rs. 60 according to the new scales of pay?

(b) Have Government considered the advisability of raising the maximum according to the maximum provided by other Government Departments for work of a similar nature with similar qualifications like the Postal and Customs Departments which provide a maximum of Rs. 160 and Rs. 120 according to the old scales of pay, and Rs. 90 and Rs. 100 according to the new scales of pay?

The Honourable Sir Edward Benthall: (a) Yes, the maxima refer to the old, the 1928 and the revised scales of pay.

(b) No.

NON-RECRUITMENT OF MUSLIMS AS APPRENTICE SIGNAL INSPECTORS, ETC., IN BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.

210. Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable Member for Railways please state if it is a fact that no recruitment of Muslims has taken place since 1922 in the services of apprentice Signal Inspector, Assistant Signal Inspector, Signal Inspector, Chief Signal Inspector and Assistant Signal Engineer, on the Bombay, Baroda and Central India Railway, Metre and Broad Gauge systems?

(b) If the reply to (a) be in the affirmative, what are the reasons for it?

The Honourable Sir Edward Benthall: (a) One Muslim Signal Inspector was appointed on the Broad Gauge in 1935.

(b) The reason is the lack of suitable candidates.

MEDICAL EXAMINATION OF RAILWAY STATION VENDORS, ETC. ON EAST INDIAN RAILWAY.

211. Mr. Kailash Bihari Lall: Will the Honourable Member for Railways please state:

(a) if it is a fact that on the East Indian Railways persons vending articles on platforms and bearers of Refreshment Rooms coming in contact with the travelling public are examined medically periodically; and

(b) if it is a fact that Coolies at Hardwar and Dehra Dun who come in contact with the travelling public are not medically examined at all, if so, the reasons therefor?

The Honourable Sir Edward Benthall: (a) and (b). Government have no detailed information, but I am making enquiries as to the practice followed by State-managed Railways.

VERIFICATION OF CHARACTER OF RAILWAY COOLIES AT HARDWAR AND DEHRA DUN.

212. Mr. Kailash Bihari Lall: Will the Honourable Member for Railways please state if it is a fact that character of Coolies at Hardwar and Dehra Dun on the East Indian Railway have never been verified through the Police? If not so, what is the correct fact?

The Honourable Sir Edward Benthall: Government have no information. This is a matter of detail which would more suitably come within the purview of the Local Advisory Committee. I am, however, sending a copy of the question and my answer to the General Manager, E. I. Railway.

REGULATION FOR DRESS OF NON-GAZETTED RAILWAY SERVANTS ON EAST INDIAN RAILWAY ADMINISTRATION.

213. Mr. Kailash Bihari Lall: Will the Honourable Member for Railways please state:

(a) if there is any regulation for dress of the Non-gazetted Railway Servants prescribed by the East Indian Railway Administration; and

(b) if the reply to part (a) be in the affirmative, the pattern, and quality of cloth, prescribed for the junior Inspector of Tickets and for the Head Ticket Collectors at Howrah, Asansol and Lucknow, respectively?

The Honourable Sir Edward Benthall: (a) Yes.

(b) As far as information available to Government goes, the only material difference in the dress prescribed is shown below:—

	Summer.	Winter.
Junior Inspector of Tickets	Coat, white drill	Coat and Trousers, blue black fine serge.
Head Ticket Collector, Howrah	Do.	Coat and Trousers, blue serge.
Head Ticket Collector, Asansol and Lucknow	Coat, Alpaca black.	Do.

CASES OF FRAUD, ETC., AGAINST EAST INDIAN RAILWAY SERVANTS.

214. Mr. Kailash Bihari Lall: Will the Honourable Member for Railways please state:

(a) the number of cases of fraud, embezzlements and other cognate offences committed by the Railway servants on the East Indian Railway during the preceding year;

(b) who detected them and how they were disposed of;

(c) amount involved in each case;

(d) how they were inquired into, *i.e.*, departmentally or through police agency; and

(e) what was the legal opinion thereon?

The Honourable Sir Edward Benthall: The required information is being collected and in so far as it can be readily obtained, a statement will be laid on the table of the House in due course.

DUTIES, ETC., OF WAITING ROOM BEARERS AT JUNCTION STATIONS ON EAST INDIAN RAILWAY.

215. Mr. Kailash Bihari Lall: Will the Honourable Member for Railways please state:

(a) the duties and functions of the Waiting Room Bearers at Junction Stations on the East Indian and North Western Railways, respectively;

(b) the name of Junction Stations on those Railways where the Bearer's hours of employment are intermittent;

(c) the number of bearers provided at each junction on those Railways; and

(d) average daily number of passengers during the preceding six months who have been dealt with at those junctions?

The Honourable Sir Edward Benthall: (a) to (d). Government have no information concerning these details.

DESIRABILITY OF RUNNING RAIL MOTOR CARS BETWEEN DELHI AND GHAZIABAD.

216. Mr. Kailash Bihari Lall: Will the Honourable Member for Railways please state if he has considered the desirability of running Rail Motor Cars

between Delhi and Ghaziabad to relieve the overcrowding in regular trains? If not, why not?

The Honourable Sir Edward Benthall: I understand that the Railway Administration do not consider that the running of Rail Motor Cars between Delhi and Ghaziabad is a practicable proposition. Their carrying capacity is very limited and it would not be possible to fit in any extra Rail Car passenger services on this busy section without interfering with the passage of the existing passenger and goods trains, the running of which is of vital importance. Moreover, Delhi-Ghaziabad Section is already well served by 14 passenger trains in each direction.

SECTIONS OF NORTH WESTERN RAILWAY SERVED BY RAIL MOTOR CARS.

217. Mr. Kailash Bihari Lall: Will the Honourable the Railway Member please state:

(a) the number of Rail Motor Cars run each day since August, 1942, on each Section of the North Western Railway;

(b) the daily average number of tickets collected from passengers of those Cars on each Station on those Sections; and the number of monthly tickets (average per month) holders;

(c) the daily average number of tickets collected from passengers between Delhi and Ghaziabad at Delhi, Delhi Shahdara and Ghaziabad, respectively, and the average number of Monthly Ticket Holders; and

(d) the justification for running of Rail Motor Cars on those Sections?

The Honourable Sir Edward Benthall: (a), (b) and (c). Government have no information and consider that its compilation, which will involve a great deal of time and labour, is not justified in war time.

(d) Rail Motor Cars are run on certain sections in order to supplement the existing inadequate passenger trains service on those sections.

NON-DISPLAY OF COMPLAINT BOOK BY MANAGER, EUROPEAN REFRESHMENT ROOM AT HAPUR.

218. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state:

(a) if it is a fact that the Manager, European Style Refreshment Room at Hapur Junction, on the Delhi-Moradabad Branch on the East Indian Railway, always fails to produce the Complaint Book whenever demanded by the travelling public;

(b) if it is a fact that the Railway Administration has provided a Counter on which the Complaint Book is required to be kept;

(c) if it is a fact that the said Manager never keeps the Complaint Book on the said Counter;

(d) if it is a fact that an instance of the non-placement of the Complaint Book at the Counter on the 17th March, 1944, during the time the 34-Down Dehra Dun Delhi Train was at Hapur Junction, was brought to the notice of the Assistant Station Master, who was asked to make an entry in his daily events book to that effect; and

(e) if any action against the said Manager against the breaches of the rule and the inconvenience caused to the travelling public on non-production of the Complaint Book has been taken; if not, why not?

The Honourable Sir Edward Benthall: (a) Government are informed that the E. I. Railway Administration has received no complaints from the travelling public regarding the non-production of the complaint book by the Manager, European style of Refreshment Room, Hapur Junction.

(b) and (c). A counter has been provided for the complaint book by the Railway Administration but to protect the book from improper use and disfigurement it is kept by the Refreshment Room Manager and is available on request to *bona fide* users of refreshment room for recording of complaint.

(d) There is no entry to this effect in the diary of the Assistant Station Master, Hapur Junction, for that day.

(e) In the absence of any evidence of the non-production of the complaint book on demand by a *bona fide* customer or of any inconvenience caused to the

travelling public on this account, the question of taking action against the refreshment Room Manager does not arise.

ABSENCE OF INDIAN REFRESHMENT ROOM AT HAPUR.

219. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state the reasons for not providing Indian Style Refreshment Rooms at Hapur Junction on the East Indian Railway?

The Honourable Sir Edward Benthall: Because there has been no general demand with adequate justification for the provision of Indian style of Refreshment Rooms at Hapur Station. It is, however, a matter primarily for the Local Advisory Committee to represent if a need for the amenity really exists.

AGREEMENT OF EUROPEAN REFRESHMENT ROOM AT HAPUR.

220. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state the term of the agreement of the European Style Refreshment Room at Hapur Junction on the East Indian Railway wherein it is provided that the wines and other liquors are to be sold to persons other than *bona fide* travelling public? If there is no such term, what are the reasons for selling those articles to local public, and what steps have been taken against their sale either by pegs or by bottles to persons other than travelling public? If no steps have been taken, what are the reasons therefor?

The Honourable Sir Edward Benthall: The sale of wines and liquors at the European style of Refreshment Room at Hapur Junction is regulated by the terms of the licence granted to the licensees by the Excise Department which licensees are required to take out and pay for in terms of their agreement with the Railway Administration. This agreement does not limit or restrict the scope of the licence granted by the Excise Department by precluding the licensees from selling wines or liquors to persons other than *bona fide* travelling public at the discretion of the Refreshment Room proprietors concerned. The last part of the question does not, therefore, arise.

RULES RE CONDITIONS OF SERVICE OF NON-GAZETTED RAILWAY SERVANTS UNDER FEDERATION.

221. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please refer to the reply given to unstarred question No. 60, asked on the 23rd February, 1944, regarding rules made under clause (a) of Sub-Section (2) of Section 241 of the Government of India Act, 1935, and state:

(a) the date and the number of the resolutions of the Central Government adopting the rules regulating the conditions of service of Non-Gazetted Railway Servants as found in the publication called the State Railway Establishment Code; and

(b) the dates of the Gazette of India in which those rules are given publicity as is the case in other rules?

The Honourable Sir Edward Benthall: (a) No Resolution of the Government of India was published in this connection.

(b) The rules were not published in the Gazette of India; it is not necessary to do so.

ELECTION OF MEMBERS TO THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS

Mr. President (The Honourable Sir Abdur Rahim): I have to inform the Assembly that the following Members have been elected to the Central Advisory Council for Railways: (1) Dr. Sir Ratanji Dinshaw Dalal, (2) Mr. Hooseinhoy A. Lalljee, (3) Hajee Chowdhury Muhammad Ismail Khan, (4) Mr. H. G. Stokes, (5) Mr. Lalchand Navalrai, and (6) Seth Sunder Lall Daga.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR THE SUPPLY DEPARTMENT

Mr. President (The Honourable Sir Abdur Rahim): I have also to inform the Assembly that the following Members have been elected to the Standing

[Mr. President.]

Committee for the Department of Supply: (1) Mr. Hooseinbhoj A. Lalljee; (2) Mr. Saiyid Haider Imam; (3) Mr. R. R. Gupta; (4) Sir Henry Richardson; and (5) Sir Abdul Halim Ghuznavi.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR THE FOOD DEPARTMENT.

Mr. President (The Honourable Sir Abdur Rahim): Motions. Sir J. P. Srivastava.

Mr. H. A. Sathar H. Essak Sait (West Coast and Nilgiris: Muhammadan): I want to raise the question of notice of this motion. There has not been sufficient notice as we received it only last night about this Food Committee. As a matter of fact, I wish to move an amendment to this motion, but I am barred because notice of the motion was given only last night.

Mr. President (The Honourable Sir Abdur Rahim): It was circulated to all Members last night I understand.

Mr. H. A. Sathar H. Essak Sait: But then it bars other Members from giving notice of amendments.

Mr. President (The Honourable Sir Abdur Rahim): There is no time limit for notice as regards motions, and as a matter of fact, the motion has been circulated to all Members. As regards amendments, I can dispense with the requirements of the standing order.

The Honourable Sir Jwala Prasad Srivastava (Food Member): I beg to move:

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, ten non-official Members to serve on the Standing Committee to advise on subjects in the Department of Food during the financial year 1944-45."

Mr. T. S. Avinashilingam Chettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): May I know what are the powers of this Committee?

The Honourable Sir Jwala Prasad Srivastava: It is a Standing Committee.

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

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, ten non-official Members to serve on the Standing Committee to advise on subjects in the Department of Food during the financial year 1944-45."

What is the amendment that the Honourable Member (Mr. Essak Sait) wants to move?

Mr. H. A. Sathar H. Essak Sait: I want to give notice.

Mr. President (The Honourable Sir Abdur Rahim): You cannot do it now.

Mr. H. A. Sathar H. Essak Sait: You just now ruled, Sir, that I can give notice of an amendment . . .

Mr. President (The Honourable Sir Abdur Rahim): Surely it has got to be circulated to other Members. Why was not notice given in the morning?

Mr. H. A. Sathar H. Essak Sait: I tried to give it to the Secretary, but he would not accept it because it was not within the rules.

Mr. President (The Honourable Sir Abdur Rahim): I understand that he referred to the Honourable Member to the Notice Office.

Mr. H. A. Sathar H. Essak Sait: I tried to give notice to the Secretary, but he said he would not accept it as it was not within the rules.

An Honourable Member: It is physically impossible.

Mr. President (The Honourable Sir Abdur Rahim): If it has to be argued, it must be circulated to all others; otherwise the motion has to stand over. What is the nature of the amendment? Is it a formal one?

Mr. H. A. Sathar H. Essak Sait: It is an amendment which can be easily understood.

Mr. President (The Honourable Sir Abdur Rahim): Then this motion must stand over.

The Honourable Sir Sultan Ahmed (Leader of the House): In that case there will be no time left for the constitution of this Committee.

Mr. President (The Honourable Sir Abdur Rahim): Under the circumstances if all the Members agree, then I will allow this amendment to be moved without notice. Do I take it that there is no objection?

Honourable Members: No.

Mr. President (The Honourable Sir Abdur Rahim): Then, what is the amendment?

Mr. H. A. Sathar H. Essak Sait: My amendment is that in the motion, before the words 'this Assembly', the words 'the elected Members of' be inserted.

Mr. President (The Honourable Sir Abdur Rahim): It has been repeatedly ruled that such an amendment is out of order.

Mr. H. A. Sathar H. Essak Sait: I am not going into the ruling

Mr. President (The Honourable Sir Abdur Rahim): Will the Honourable Member look up the rulings? You will find the ruling in No. 253.

Mr. H. A. Sathar H. Essak Sait: I accept the ruling. I only want a direction as to the method by which the House can express its desire in this matter. Supposing the House wants the election to be confined to a section of the House

Mr. President (The Honourable Sir Abdur Rahim): You should have a new rule framed.

Mr. T. S. Avinashilingam Chettiar: May we know what are the detailed subjects in regard to which the Food Member proposes to consult this Committee. There are many committees of this House and many of them are very ineffective. I myself have been in some of these committees. What we find is that the really important matters on which we would like to influence the decision of the Government are not placed before the Committees and many unimportant things are placed before them. I hope that this Committee will not be like one of those committees. We would like to know here and now on what matters the Member in charge proposes to take the advice of this Committee.

Dr. Sir Zia Uddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): The functions of this Food Committee have not been clearly defined. We would like to know what subjects would come within the purview of this Committee. Will the Committee be consulted about the fixation of price, about the distribution of food, rationing and similar questions. A large number of committees have already been appointed and we do not know what those committees are doing behind the curtain. We have not been taken into confidence about anything. As this committee will be the committee of the House, it is pertinent to ask whether it will be kept informed of the activities of this department. I should like to know whether the report of all the committees dealing with the food problem will be laid before this Committee or not or whether this will be a mere show and may not be convened at all. If it is only for show, what is the use of appointing this Committee except it be for the purpose of deceiving the Members of the Assembly.

Maulvi Muhammad Abdul Ghani (Tirhut Division: Muhammadan): This Committee has been functioning for the last one year and although it is a very important committee, its proceedings have not been circulated to the Members. At least, I have not got any. Besides, I find that it has become a fashion on the part of the Government of India to appoint nominated Members on committees, so that they may have an overwhelming majority. I think this kind of policy should be discouraged and Government should give ample opportunity to elected non-official Members to express their independent views.

The Honourable Sir Jwala Prasad Srivastava: Some of the Members have expressed doubts about the utility of the functions of this committee.

Mr. T. S. Avinashilingam Chettiar: No. We want to know what they are.

The Honourable Sir Jwala Prasad Srivastava: They do not appear to have been present here when I dealt with this subject in the six days' debate on food. I gave in that debate a complete account of the functions of the

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different committees which I have set up in the Department of Food. The Standing Committee itself was the subject of some debate when I made my last motion and I thought it was clearly understood what the functions of the Standing Committee were. It is not necessary, I submit, for me to repeat them. Dr. Zia Uddin who is the torch bearer of light and learning ought to know that.

Dr. Sir Zia Uddin Ahmad: Even the torch bearer cannot understand you!

The Honourable Sir Jwala Prasad Srivastava: The Department of Food places almost every matter with which they are concerned before the Standing Committee. We make no reservations. We want the advice of the Members of this House on practically every matter and we want to make sure that the department is working in accordance with the wishes of the representatives of the people.

Dr. Sir Zia Uddin Ahmad: The Honourable Member did not answer my question. I put a specific question . . .

Mr. President (The Honourable Sir Abdur Rahim): You cannot make another speech. The question is:

“That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, ten non-official Members to serve on the Standing Committee to advise on subjects in the Department of Food during the financial year 1944-45.”

The motion was adopted.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR THE COMMERCE DEPARTMENT.

The Honourable Sir M. Azizul Huque: Sir, I move:

“That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, five non-official Members to serve on the Standing Committee to advise on subjects, with which the Commerce Department is concerned.”

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

“That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, five non-official Members to serve on the Standing Committee to advise on subjects, with which the Commerce Department is concerned.”

Maulvi Muhammad Abdul Ghani (Tirhut Division: Muhammadan): I want to repeat the argument which I adduced on the last motion. I say that the Government should not thrust their nominated Members on the Committee in order to secure an overwhelming majority for themselves on the Committee.

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

“That this Assembly do proceed to elect in such manner as the Honourable the President may direct, five non-official Members to serve on the Standing Committee to advise on subjects, with which the Commerce Department is concerned.”

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim): I have to inform Honourable Members that for the purpose of election of members to the Standing Committee of the Food Department and the Standing Committee of the Department of Commerce, the Notice Office will be open to receive nominations upto 12 O'clock on Friday, the 31st March, and that the election, if necessary, will be held on Tuesday, the 4th April. The elections, which will be conducted in accordance with the principle of proportional representation by means of the single transferable vote, will be held in the Assistant Secretary's room in the Council House between the hours of 10-30 A.M. and 1 P.M.

DEMANDS FOR SUPPLEMENTARY GRANTS FOR 1943-44—contd.

DEMAND No. 32—JAILS AND CONVICT SETTLEMENTS—contd.

Mr. President (The Honourable Sir Abdur Rahim): The House will now proceed with the discussion on Demands for Supplementary Grants. I think Demand No. 32 was under discussion.

The Honourable Sir Reginald Maxwell (Home Member): Sir, when the House rose yesterday, I was about to give details which were asked for of the other expenditure amounting to Rs. 61,000 included in this demand. That, as explained already, consisted of two parts. Firstly, payment of various out-

standing bills appertaining to the Andamans Administration and, secondly, payment of dearness allowance to dependants of Government servants who remained in the Andamans. The amount required under the first head, that is, for outstanding bills, comes to Rs. 56,000. The reason why this could not be foreseen is that the Andamans was a self-contained administration and when the Islands fell to the Japanese in March 1942, the Government of India possessed no details of the claims which were likely to be outstanding against that Administration. A considerable amount of research was required and eventually we found that bills amounting to about Rs. 34,500 were due to be paid to firms which had supplied articles to that Administration. There was also a transfer entry of Rs. 24,600 relating to one of the voyages of the *S.S. Maharaja*, which used to serve that Administration. These two items together make up the sum of Rs. 56,000 which is required for outstanding liabilities of the Andamans.

As regards the dearness allowance to dependants, the supplementary grant that is required is only for Rs. 5,000. This was not provided for because the dependants of Government servants who remained in the Andamans were entitled to the family allotments which had been previously made by these Government servants before Japanese occupation. But it was found in the course of the year that these allotments, in view of the increasing dearness of everything, were not sufficient for the requirements of these dependants and, therefore, this additional dearness allowance was sanctioned for them. The amount required does not represent the total sum paid in dearness allowance but only the excess which has been incurred over the saving under family allotment. That is to say, the whole budget provision of family allotment was not utilised and part of that, therefore, is used for the payment of dearness allowance and we are asking only for the excess. I hope this information will be what the Honourable Member required.

Sir Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, I would like the Honourable Member to explain the matter a little further. I would like to know what has happened to that beautiful boat, the *S.S. Maharaja*. It is not clear whether this boat has fallen into the hands of the Japanese or it is still in the possession of the Indian Government. It was only a chartered boat and it used to serve the Andamans Administration. It used to run between Calcutta and the Andamans, Madras and the Andamans and then to Rangoon. I would like to know what has been the fate of this boat since the Japanese took possession of the Andamans.

Another thing I would like to know is whether the firms to which this amount of Rs. 34,000 odd is due were Indian firms or foreign firms and why such a long time has been taken to investigate whether the dues are still pending or not. When I visited the Island, I had thought that all the requirements of the Andamans Administration used to go either from Calcutta or from Madras. If they were Indian firms, why did they not put in their claims earlier than 1944. These two points require explanation and I shall be obliged if the Honourable Member will enlighten us on them.

The Honourable Sir Reginald Maxwell: Sir, I am not entitled to make another speech, but with your permission I can answer the Honourable Member's question.

Mr. President (The Honourable Sir Abdur Rahim): Yes.

The Honourable Sir Reginald Maxwell: As regards the *S.S. Maharaja*, she was not lost, to my knowledge, at the time when we were concerned with her, that is, when she used to serve the Andamans. She was prevented from making her last voyage to the Andamans, which, in fact, would have enabled more Government servants to escape than did actually escape before Japanese occupation. But I do not know what happened to her subsequently because we are no longer concerned with that matter.

As regards the firms to which these outstanding bills were due, my impression coincides with that of the Honourable Member, namely, that they were all Indian firms. But, as I have already explained, the Andamans was a

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completely self-contained Administration and it took a considerable time before these outstanding bills, of which we had no knowledge, could be collected and verified.

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

"That a supplementary sum not exceeding Rs. 97,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Jails and Convict Settlements'."

The motion was adopted.

DEMAND No. 33—POLICE.

The Honourable Sir Jeremy Raisman (Finance Member): Sir, I move:

"That a supplementary sum not exceeding Rs. 61,31,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Police'."

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

"That a supplementary sum not exceeding Rs. 61,31,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Police'."

Mr. T. S. Avinashilingam Oshettiar (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, I do not know to which province they have made this large grant of Rs. 61,31,000. I have been under the impression that Police is a provincial subject except in Ajmer-Merwara and other provinces which are administered by the Government of India and, therefore, the Government of India do not make any grant to the provinces in respect of Police. This is a large amount and we would like to know what has occasioned the making of this grant and to which provinces they have given it.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, so far as I know, the two provinces concerned are the United Provinces and the Central Provinces and they have got no deficit in their budgets. Rather, they have got more than they could spend and I do not see any reason why this year the Police Department should be augmented by such a great amount.

The Honourable Sir Reginald Maxwell: I am afraid I cannot hear the Honourable Member. Will he speak louder?

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should raise his voice.

Mr. Muhammad Azhar Ali: Sir, the United Provinces and the Central Provinces are not deficit provinces and I do not know why the police of those two provinces should be given such a big allotment. At the same time, why should the Government of India spend so much money on the police when they are making so many other arrangements in the country.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I am perfectly aware of the circumstances that led to large subventions being made by the Central Government to the provinces for the purpose of re-enforcing their police organisation. I am not, therefore, raising any constitutional issue or any issue as regards their policy in this matter for the time being. In the first place, however, I should like to know whether the Government of India exercise any amount of control over the Provinces as an incident of these large subventions being made to them. I should very much like to understand the mechanism of any control that may be exercised on behalf of the Central Government. Incidentally, I should like to know whether this demand was placed before the Standing Finance Committee, because I do not find any note appended to this demand to indicate that it was. If my recollection serves me aright, I think the past practice in regard to these grants relating to the Police Department was to have the recommendation from the Standing Finance Committee placed before the House. I do not know why a departure has been made on this occasion. Then, Sir, it strikes me that the increased amount represents a very large proportion of the original demand, and I am not quite satisfied that the reasons indicated in the note give sufficient

explanation for this very large increase. Moreover, I should like to have the figures of provincial allotment in order to be able to understand the justification for the large expenditure by way of subvention. I should like to know, for instance, what was the original grant in respect of each Province and to what extent in the case of each Province the grant is now to be exceeded.

Mr. Lalchand Navarai (Sind: Non-Muhammadan Rural): Sir, under this demand a large amount is being given to the Provinces with respect to the management by the police there. May I know from the Honourable Member if when this money is given the Honourable Member is in any way responsible for the doings of the police or responsible for the lawlessness that prevails in those Provinces. Particularly, I am referring to the lawlessness that prevails in Sind. Even the *ex*-Premier of Sind lost his life owing to this lawlessness and there have also been allegations against a member of the Cabinet in Sind implicating him in the conspiracy to murder the *ex*-Premier. What has the Honourable the Home Member done with regard to the police investigation in that case? Has the Honourable Member got any information about this case? When the Tribunal has passed certain remarks against a member of the Cabinet

Mr President (The Honourable Sir Abdur Rahim): Order, order. The Honourable Member cannot go into those questions now.

Mr. Lalchand Navarai: I am simply asking for information from the Honourable the Home Member.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot discuss those things here.

Mr. Lalchand Navarai: Then, I will put a straight question to the Honourable the Home Member. Does the Honourable Member hold that he has some responsibility with regard to the doings of the police there, or that he has not? May I know whether the Honourable Member is prepared to get information from Sind and give it to this House whenever it is required?

Sir Muhammad Yamin Khan: Sir, I would like to bring to the notice of the Honourable the Finance Member one thing and that is the Standing Finance Committee proceedings, which are placed in our hands, do not contain the Demands in the order in which they are presented to the House. We are put to the trouble of searching out the whole thing, from beginning to end, to see where a particular demand is put in. Sometimes, Demand No. 71, comes first then comes Demand No. 17, and later on comes Demand No. 75 and so on. To find out each demand requires a lot of work for Honourable Members and this involves a lot of waste of time. I do not say that it will be possible this year, but I would suggest to the Honourable the Finance Member that he should very kindly arrange the demands in serial order in the proceedings of the Standing Finance Committee so that Honourable Members might easily find out the decisions of the Standing Finance Committee relating to each demand as it comes up for discussion in the House. The demands should be printed in the proceedings of the Standing Finance Committee in the order in which they are presented to the House so that Honourable Members can find out each demand by simply turning over the leaf and not search the whole book.

Another point is this. We have pointed out to the Honourable the Finance Member that when such huge sums as 61 lakhs—not a petty sum like Rs. 2,000 or Rs. 3,000—are incurred, I think you should place it before the Standing Finance Committee. It was usually given out that once the policy has been accepted by the Standing Finance Committee, it was not, therefore, necessary to place it before the Standing Finance Committee. This may be all right in need not come up before the Standing Finance Committee. It may be putting the case of small sums, say Rs. 3,000 or Rs. 4,000 or even Rs. 5,000, and these need not come up before the Standing Finance Committee. It may be putting a lot of work on the Finance Member if he has to be present all the time even when such petty sums go before the Standing Finance Committee and they are examined there. In the case of large sums like the present one—61 lakhs—they should go before the Standing Finance Committee and the Committee should examine and report thereon and even if the Finance Member is not able to be present before the Committee, somebody else might go and see that these

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things are examined by the Committee. The recommendation of the Committee will only strengthen his hands to incur the expenditure. He will be saved a lot of criticism which comes from this side of the House as to why money has been spent in such large sums without the consent of the Standing Finance Committee. If the Standing Finance Committee is asked to scrutinise only new service items, then it comes to this, that only items involving an expenditure of one lakh and over are put before the Standing Finance Committee. I submit that in that case, the Standing Finance Committee is not discharging its functions properly when the scope of its scrutiny is so limited. I know at least about the Railway Standing Finance Committee where we examine each and every proposal that comes before us. We go into great detail regarding each and every item. The result is that, whenever railway budget comes in, you do not find so much criticism about it because most of the items have been scrutinised by the Railway Standing Finance Committee and they are incorporated in the budget only if the Committee is satisfied. The Committee knows whether the amount has been spent, how it has been spent and why it has been spent, every Member of the Railway Standing Finance Committee knows all these things. Here, I have not been a member of the **Standing Finance Committee** for many years. I do not know how it is working now. I request the Honourable the Finance Member to place all matters before the **Standing Finance Committee** and their consent taken before any expenditure is incurred. I know in 1942, owing to disturbed condition of the country, such huge expenditure might have been justifiable. But the present demand relates to 1943-44. I do not know why the Honourable Member could not foresee this expenditure and include it in the original budget. When it was known that the Provinces would still require to maintain a large police, when it was decided that there was necessity for the police—I do not dispute that there was no necessity—I am talking from the financial point of view, I want to know why the Provinces did not come up earlier. If they had put in their demand earlier, why was it not included in the main Budget and why does it come up here in the form of Supplementary Grants. You knew that you spent so much in 1942 and you also knew that there was a likelihood of similar expenditure being incurred in 1943, there was every possibility of that, and yet you did not put it in the budget, nor did you place it before the Standing Finance Committee where the whole thing could have been thrashed out. These are my remarks on this demand and I should like to be enlightened on these points.

The Honourable Sir Reginald Maxwell: Sir, the Provinces have always been responsible for maintaining their police on a peace time footing, but it must be obvious to the House that the requirements of police on a war time footing are very different. Since the war there arose the necessity of using the police for a number of purposes which would not have arisen in peace, such as, guarding vulnerable points, buildings, bridges and so forth. Therefore, from the beginning of the war, it was recognised as an obligation of the Central Government, which after all was responsible for proper measures for the defence of the country, to help those Provinces which were not able to do so to strengthen their police, so as to make them adequate for the war time footing that was required.

Now we must remember that this demand relates to the year 1943-44, for which the budget provision had to be assessed at the end of 1942. And if the House will carry its mind back to the circumstances of 1942 it will at once become apparent that the circumstances, for which provision had then to be made, were altogether exceptional. That was the time when hostile invasion was threatened, and, therefore, the Central Government urged the provinces to review their police strength and to bring their strength up to whatever might be required in the light of the responsibilities that might fall on them as a consequence of the war situation, including hostile attack. That was the general proposition put to provinces and we asked the provinces to entertain the additional police that might be required to make them self-sufficing as fast as possible and promised to subsidise those provinces, the

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revenues of which were not adequate. Not all provinces are included in these allotments; some of the better-off provinces such as the United Provinces and Madras have met their expenses themselves. But many of the provinces including some of the minor provinces, which were naturally threatened by the circumstances likely to arise, had no resources with which to bring their police up to the required strength; and, therefore, the allotment made for subsidies to provinces is according to a percentage determined by the financial circumstances of each province. One Honourable Member has asked for the manner in which this allotment will be distributed. It would take a long time to read out all the figures of the various provinces, but most provinces come into it to a varying extent. The amount of the provincial shares in this supplementary demand of 61 lakhs varies from 2 thousands to 14 lakhs in different provinces, and even 17 lakhs in one. I cannot give all the details now, but as regards Sind, to which my Honourable friend, Mr. Lalchand Navalrai, referred, I might mention that Sind will get 8½ lakhs out of this supplementary demand in addition to a sum of about 18 lakhs which it was getting previously. That is the answer to the point he raised about lawlessness in Sind. The police in Sind were entertained in order to maintain security throughout the province, and I think he will admit that the Central Government has paid due regard to the requirements of that province.

Mr. Lalchand Navalrai: Only in respect of Hurs.

The Honourable Sir Reginald Maxwell: My Honourable friend, Mr. Neogy, asked what control is exercised by the Government of India as a condition of the grants made. The answer is that there is no need for the Government of India to exercise detailed control over the utilisation of police entertained for the purposes which I have described. Had the provinces had ample resources themselves the things that the police are required to do would have been purely a provincial responsibility, and it was only because the war had placed additional demands on them that the Central Government found it necessary to make these contributions. All we are concerned with is the numerical demand and not the detailed control over the manner in which the police are used.

Mr. T. T. Krishnamachari (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Why was it not placed before the Standing Finance Committee?

The Honourable Sir Reginald Maxwell: That point will be dealt with by the Honourable the Finance Member.

My Honourable friend, Sir Yamin Khan, asked for an explanation as to why these demands were not placed in the budget. The answer is that it was in 1942 that we asked the provinces to review their police strength and our budget had to be framed by December, 1942. At that time the provinces had not arrived at their final estimates, and our undertaking to them is to give them a contribution in proportion to the additional expenditure which they have incurred on war-time police whenever it is incurred. The provinces would have made their budgets in December, 1942 and their supplementary estimates in February, 1943. Those figures were obviously not available at the time when our budget was framed and, therefore, these additional demands in the light of their final requirements only came to hand in time to ask for a supplementary demand from this House.

The Honourable Sir Jeremy Raisman: Sir, there are one or two points which I ought to deal with. One is a small point which my Honourable friend, Sir Yamin Khan, raised about the difficulty of cross-referring to the proceedings of the Standing Finance Committee. I shall see what I can do in order to simplify that matter, but it arises from the fact that the proceedings of the Standing Finance Committee are, so to speak, in historical order, the order in which the items are actually placed before the Committee, whereas the supplementary demands follow the numerical order of the demands for grants.

As to why this item did not come before the Standing Finance Committee it will be clear from what my Honourable colleague, the Home Member, has said that this is of the nature of an inter-Governmental obligation. As a result

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of the advice given by the Home Department or the discussions held by the Home Department with the Provincial Governments certain action was taken and certain commitments arose, and the question of the determination of the amounts of these commitments may have taken some time. But the obligation is there and the provinces had to frame their budgets accordingly. I admit that it could have been possible and there might have been some advantage in putting this before the Standing Finance Committee in order to enable Members of the House to ask some of the questions which have been asked today and to get more information on them. And, personally, if the point had come to my notice at an earlier stage I would have placed this before the Standing Finance Committee. But the real point is that this House now has to deal with the grant. These obligations are there; they involve other Governments. There are similar cases; for instance, there is the question of a grant to the Bengal Government, which has not been before the Standing Finance Committee. It is a simple issue which the House as a whole has to decide upon; and, generally speaking, in the case of inter-Governmental finance where commitments have already been incurred, unless there is scope for detailed explanation I suggest that the appropriate stage at which the matter should be considered is when it comes before the House. I will, however, direct my attention to the question whether supplementary demands of this kind cannot profitably be discussed in the Standing Finance Committee before they come to this House.

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

"That a supplementary sum not exceeding Rs. 61,31,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Police'."

The motion was adopted.

DEMAND NO. 34.—PORTS AND PILOTAGE.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 14,45,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Ports and Pilotage'."

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

"That a supplementary sum not exceeding Rs. 14,45,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Ports and Pilotage'."

The motion was adopted.

DEMAND NO. 38—ZOOLOGICAL SURVEY.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 83,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of the 'Zoological Survey'."

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

"That a supplementary sum not exceeding Rs. 83,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of the 'Zoological Survey'."

The motion was adopted.

DEMAND NO. 40.—MINES.

The Honourable Sir Jeremy Raisman: Sir, I do not propose to move the next motion No. 29 (Demand No. 39—Geological Survey) because on the latest information we possess it should not be necessary to have a supplementary grant under this head. I will, therefore, move motion No. 30 under Demand No. 40, Sir, I move:

"That a supplementary sum not exceeding Rs. 15,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Mines'."

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

"That a supplementary sum not exceeding Rs. 15,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Mines'."

Sir Muhammad Yamin Khan: Sir, specially during the period of war when the Indian industry is progressing so rapidly, these two heads, namely, Geolo-

gical Survey and Mines, are very important. The Honourable the Finance Member did not give any explanation as to why no supplementary grant was required in respect of the 'Geological Survey'. Does he mean to say that the grant already voted by this House was sufficient to carry out the work under this department?

The Honourable Sir Jeremy Raisman: Yes, that is so.

Sir Muhammad Yamin Khan: That only shows that really very little effort has been made to carry out the work in the various directions. This Department should exert a lot towards making research and finding out where India can build up more and more industries. Sir, I am not going to speak on this point at any great length, because . . .

The Honourable Sir Jeremy Raisman: The original provision was about Rs. 43,00,000.

Sir Muhammad Yamin Khan: I think, Sir, that something more should be done on these lines.

Mr. President (The Honourable Sir Abdur Rahim): But this is not the occasion to raise that question.

Sir Muhammad Yamin Khan: I thought that probably I will have an opportunity to speak on this matter when the Honourable Member had moved the Demand in respect of 'Geological Survey', but it seems the Honourable Member does not want any more money and is not moving this supplementary demand.

With regard to Mines, the Honourable Member has asked for such a petty sum that I wonder how this work is being carried on. Under the present circumstances I should have thought that the Honourable Member will ask for a huge sum and we should have been happy to vote for it.

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

"That a supplementary sum not exceeding Rs. 15,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Mines'."

The motion was adopted.

DEMAND NO. 41.—ARCHAEOLOGY.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 62,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Archæology'."

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

"That a supplementary sum not exceeding Rs. 62,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Archæology'."

Sir Muhammad Yamin Khan: Sir, I cannot understand why this sum has been asked for. I thought that this Department is not working very much: No new excavations have been carried out under this Department and practically nothing has been done except keeping the old monuments in proper order. As far as I know, all other activities of this Department have been suspended. Therefore, why is this money required?

The Honourable Sir Jeremy Raisman: It has been indicated, if the Honourable Member will only read the papers which are circulated to Members. It has been pointed out that this is due mainly to urgent repairs to the Taj Mahal at Agra, for which no provision had been made.

Sir Muhammad Yamin Khan: Work at the Taj Mahal was suspended in 1942.

The Honourable Sir Jeremy Raisman: But some urgent repairs were necessary.

Sir Muhammad Yamin Khan: As far as I know, nothing has been done in 1943-44. Whatever work was being done, was suspended in 1942.

The Honourable Sir Jeremy Raisman: It is not so.

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

"That a supplementary sum not exceeding Rs. 62,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Archæology'."

The motion was adopted.

DEMAND NO. 45.—MEDICAL SERVICES.

The Honourable Sir Jeremy Raisman: Sir, I move:

“That a supplementary sum not exceeding Rs. 2,36,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Medical Services.’”

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

“That a supplementary sum not exceeding Rs. 2,36,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Medical Services.’”

The motion was adopted.

DEMAND NO. 46.—PUBLIC HEALTH.

The Honourable Sir Jeremy Raisman: Sir, I move:

“That a supplementary sum not exceeding Rs. 2,07,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Public Health.’”

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

“That a supplementary sum not exceeding Rs. 2,07,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Public Health.’”

The motion was adopted.

DEMAND NO. 47.—AGRICULTURE.

The Honourable Sir Jeremy Raisman: Sir, I move:

“That a supplementary sum not exceeding Rs. 61,98,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Agriculture.’”

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

“That a supplementary sum not exceeding Rs. 61,98,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Agriculture.’”

The motion was adopted.

DEMAND NO. 48.—IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

The Honourable Sir Jeremy Raisman: Sir, I move:

“That a supplementary sum not exceeding Rs. 8,88,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of the ‘Imperial Council of Agricultural Research.’”

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

“That a supplementary sum not exceeding Rs. 8,88,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of the ‘Imperial Council of Agricultural Research.’”

The motion was adopted.

DEMAND NO. 51.—CIVIL VETERINARY SERVICES.

The Honourable Sir Jeremy Raisman: Sir, I move:

“That a supplementary sum not exceeding Rs. 56,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of the ‘Civil Veterinary Services.’”

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

“That a supplementary sum not exceeding Rs. 56,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of the ‘Civil Veterinary Services.’”

The motion was adopted.

DEMAND NO. 52.—INDUSTRIES.

The Honourable Sir Jeremy Raisman: Sir, I move:

“That a supplementary sum not exceeding Rs. 28,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Industries.’”

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

“That a supplementary sum not exceeding Rs. 28,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Industries.’”

The motion was adopted.

DEMAND No. 58.—EMIGRATION INTERNAL.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 2,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Emigration Internal'."

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

"That a supplementary sum not exceeding Rs. 2,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Emigration Internal'."

Sir Muhammad Yamin Khan: Sir, may I ask what is this money required for? What is this 'internal emigration'?

The Honourable Dr. B. R. Ambedkar (Labour Member): The explanation is given in the explanatory memorandum.

The Honourable Sir Jeremy Raisman: The Honourable Member has still not supplied himself with the literature which was circulated for his information.

Sir Muhammad Yamin Khan: How can you expect me to go through all these papers?

The Honourable Sir Jeremy Raisman: If the Honourable Member wishes to know what the head contains, it deals with such matters as the movement of labour to Assam. That is regarded as internal emigration. That is the general content of the heading.

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

"That a supplementary sum not exceeding Rs. 2,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Emigration Internal'."

The motion was adopted.

DEMAND No. 59.—EMIGRATION EXTERNAL.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 71,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Emigration External'."

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

"That a supplementary sum not exceeding Rs. 71,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Emigration External'."

Sir Muhammad Yamin Khan: Under what head does this come? The former came under the head of the Labour Department for Assam.

The Honourable Dr. N. B. Khare (Member for Indians Overseas): This pertains to the Department of Indians Overseas. The Honourable Member is aware that a representative on behalf of the Government of Ceylon was appointed in India and there was a reciprocal appointment from the side of the Government of India. The High Commissioner of South Africa was required here for personal discussions with myself and with His Excellency and he was brought by air and sent back by air. Besides that, some money has been spent in correspondence and telegrams. Then again the war has greatly accentuated the problem of office accommodation in Durban, Johannesburg and Cape Town. All this accounts for some of this expenditure. In consequence of the war very many Indian seamen have gone into South African ports and we have to look after their comforts. That has also caused this extra expenditure.

Mr. T. S. Avinashilingam Chettiar: The explanatory memorandum does refer to the appointment of the representative of the Government of India in Ceylon. This is a new appointment. Do not new appointments, even if small, come before the Standing Finance Committee? I would like to know with reference to the money spent on the High Commissioner in South Africa, whether the Overseas Member is in a position to make any statement about the negotiations he has been conducting . . .

Mr. President (The Honourable Sir Abdur Rahim): This is not the occasion to raise that question.

Maulvi Muhammad Abdul Ghani (Tirhut Division: Muhammadan): I do not see the necessity of having a representative of a country which is not a free country. Secondly, if any plea of war is urged, this should have been made earlier

[Maulvi Muhammad Abdul Ghani.]

in 1939 or 1940. So this plea does not hold good at all and this kind of expenditure is mere waste.

The Honourable Dr. N. B. Khare: There was an agent in Ceylon before, I think. Now we have got a Representative there. This is a change in his status, which is higher than before.

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

"That a supplementary sum not exceeding Rs. 71,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Emigration External'."

The motion was adopted.

DEMAND No. 60.—COMMERCIAL INTELLIGENCE AND STATISTICS.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Commercial Intelligence and Statistics'."

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

"That a supplementary sum not exceeding Rs. 12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Commercial Intelligence and Statistics'."

The motion was adopted.

DEMAND No. 61.—CENSUS.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 3,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Census'."

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

"That a supplementary sum not exceeding Rs. 3,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Census'."

The motion was adopted.

DEMAND No. 62.—JOINT STOCK COMPANIES.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Joint Stock Companies'."

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

"That a supplementary sum not exceeding Rs. 12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Joint Stock Companies'."

The motion was adopted.

DEMAND No. 63.—IMPERIAL DAIRY DEPARTMENT.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 99,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of the 'Imperial Dairy Department'."

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

"That a supplementary sum not exceeding Rs. 99,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of the 'Imperial Dairy Department'."

The motion was adopted.

DEMAND No. 64.—MISCELLANEOUS DEPARTMENTS.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 15,26,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Miscellaneous Departments'."

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

"That a supplementary sum not exceeding Rs. 15,26,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Miscellaneous Departments'."

Sir Muhammad Yamin Khan: Only yesterday I asked the Honourable Member to enlighten us as to under what head came the expenses which we have

incurred for touring in India, for passage money for the delegation which was sent from here to England, and I thought it would be found somewhere under the miscellaneous head or some other such head, or say the Information Department. But the Honourable the Leader of the House said that it was not there. One Honourable Member said that it might be found under External Affairs Department. I do not know how that Department is concerned with tours even in India. Of course, this cannot come under the head of Railways. If it is under Miscellaneous, I would like to know where it has been put and what is the amount incurred on tours. If it is not under this head, we should then be informed where we may find it so that we may discuss it in its proper place.

Mr. N. Sunderasan (Government of India: Nominated Official): The object of the expenditure was to tell the American people and the English people about the war effort by India and as such the expenditure was taken as miscellaneous expenditure connected with the war, which is non-voted. The expenditure is under head C, sub-head 6, on page 301 of the Demands for Grants.

Sir Muhammad Yamin Khan: How is it put down there?

The Honourable Sir Jeremy Raisman: If the Honourable Member will refer to Demands for Grants, page 301, he will find under the general head, Miscellaneous Expenditure connected with the War, which is a non-voted head, . . .

Mr. T. S. Avinashilingam Chettiar: Evidently, it must be non-voted!

The Honourable Sir Jeremy Raisman: The Honourable Member will find under head C—the general title is Press Officers,—6(3)—Expenditure at the Centre. I understand that under that item this particular expenditure will be accounted for.

Sir Muhammad Yamin Khan: This is Budget for 1944-45, and the expenditure was incurred in 1943-44.

Mr. T. T. Krishnamachari: They do not want your vote.

The Honourable Sir Jeremy Raisman: In the book, Demands for Grants, the Honourable Member will find that there are several columns showing the budget estimate for 1943-44, revised estimate for 1943-44, and then Budget estimate for 1944-45, and it is under the previous columns that this expenditure will be found.

Sir Muhammad Yamin Khan: But my Honourable friend . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot go on like this. He cannot make another speech.

Sir Muhammad Yamin Khan: I want the House to be enlightened on this point, as to how it comes to be non-voted.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot go on like this. Let another Member take up the point, if necessary.

Mr. T. S. Avinashilingam Chettiar: From what the Finance Member has just now said, one can see the attitude and mentality of the present Government. They do not like to put items like this before the Legislature, and they have made the item a non-votable one. Since that is not covered under this supplementary demand, I do not want to say anything more. As regards the motion moved, I find that this has been approved, as stated in the Explanatory Memorandum, by the Standing Finance Committee on the 19th February, 1944. It is to be found at pages 16 and 17 of the Proceedings of the Standing Finance Committee of that date, but in those pages I do not find anything like the figure of Rs. 15,26,000. Under the head, Financial effect of the proposal, it says, "Total actual expenditure involved.—(i) Non-recurrent—Nil. (ii) Recurrent during first and subsequent years. There will be about 12 Provincial Labour Supply Committees. The expenditure may be estimated at about Rs. 1,80,000 per annum at the rate of 15,000 per annum per committee. The expenditure on a Regional or District Committee will be about Rs. 7,000 per annum." But it is nowhere given in this note that the amount of Rs. 15,26,000 is involved. I think that when the Standing Finance Committee passed this supplementary demand they did not know that anything like Rs. 15 lakhs would be required. This Explanatory Memorandum refers only to proceedings of the 19th February, 1944, and there is only one reference and it is this. When the Standing Finance

[Mr. T. S. Avinashilingam Chettiar.]

Committee took up this proposal and gave its approval, were they given to understand that Rs. 15 lakhs were involved in this matter? I submit this is a way of misleading the Standing Finance Committee in order to get something which it was never intended by the Committee to give.

Then I come to the actual object for which this money is required. This is for Labour Co-ordination of Unskilled Labour Supply Scheme. Why was this brought under the Miscellaneous Departments when there is a Labour Department altogether? I understand that there is a gentleman who is working very efficiently in the Labour Department, and why was this brought into the Miscellaneous Departments? So I submit that they did not get the consent of the Standing Finance Committee to the actual proposals that have been placed before us just now, and I want to know the reasons why they have done as they have done.

(The Honourable the Finance Member was consulting his papers for a little time.)

Mr. President (The Honourable Sir Abdur Rahim): Perhaps the Honourable Member may consider it and we might in the meanwhile pass on to the next item. Let this stand over for the present.

The Honourable Sir Jeremy Raisman: Very well, Sir.

Mr. T. S. Avinashilingam Chettiar: Will it be taken up soon after lunch?

Mr. President (The Honourable Sir Abdur Rahim): It will stand over for the present.

DEMAND No. 65.—CURRENCY.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 36,34,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Currency'."

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

"That a supplementary sum not exceeding Rs. 36,34,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Currency'."

The motion was adopted.

DEMAND No. 66.—MINT.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 45,91,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Mint'."

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

"That a supplementary sum not exceeding Rs. 45,91,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Mint'."

The motion was adopted.

DEMAND No. 67.—CIVIL WORKS

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 13,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Civil Works'."

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

"That a supplementary sum not exceeding Rs. 13,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Civil Works'."

The motion was adopted.

DEMAND No. 71.—MISCELLANEOUS.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 45,49,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March 1944 in respect of 'Miscellaneous'."

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

"That a supplementary sum not exceeding Rs. 45,49,000, be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Miscellaneous'."

Mr. T. S. Avinashilingam Chettiar: It is only a technical matter, in order to understand I ask this question. I find that there are many Miscellaneous's. There are Miscellaneous Departments, Demand No. 64, now under Demand No. 71, there is another Miscellaneous. Then there is another Miscellaneous—Miscellaneous Expenditure connected with the War. May I know why there are so many Miscellaneous's, and why do you multiply this demand under several heads? Some sort of scientific classification there must be with the staff at the command of the Government of India. Coming to details I want to ask only one question. Tinned milk was distributed in Bengal through the Indian Red Cross Society, for which Rs. 2,52,000 is provided. I very much approve and very much welcome that milk was distributed to the children. I would only request that the agency that is used for the Government distribution even may not be limited only to the Red Cross Society but other societies like the Ramakrishna Mission and other bodies which are doing recognised relief work should also be utilised in this connection. I have nothing more to suggest except to ask for the information I wanted under the head 'Miscellaneous'.

Seth Yusuf Abdoola Haroon (Sind: Muhammadan Rural): I find that under this item Rs. 35,100 is wanted in respect of subsidy to shipping companies. It is said that a ship was released from requisition for the purpose of transporting Haj pilgrims from India. When the Government of India had made up their mind not to send Hajees last year, then did they have to pay for this?

The Honourable Dr. N. B. Khare: A ship was released for Haj purposes on the 29th September, 1942, but subsequently the Government decided that it will not be possible to make arrangements for that purpose. For the damage done to the company for the period of five days when the ship remained idle, the Government decided to compensate the company. Two-thirds of the payment will be met by His Majesty's Government.

Seth Yusuf Abdoola Haroon: The Government had made up their mind long before.

Mr. J. D. Tyson (Secretary, Department of Education, Health and Lands): I understand that the supplies of milk provided by the Red Cross are distributed in Calcutta through the Red Cross organisation but, outside Calcutta, through the Public Health and Medical officers of the Government including, I believe, the military medical and health officers.

Mr. T. S. Avinashilingam Chettiar: What about my suggestion that other charitable organisations should also be utilised?

Mr. J. D. Tyson: I shall pass on the suggestion to the Red Cross Society.

Mr. T. S. Avinashilingam Chettiar: What is the reply to my objection to the classification?

Maulvi Muhammad Abdul Ghani: From the proceedings of the Standing Finance Committee on page 7, it appears that the proposal is that the Government of India should contribute towards the expenditure of Inter-Governmental Relief Committee. On page 8, there is mention of the United Nations Relief and Rehabilitation Administration. The expenditure under that head is estimated at Rs. 36,000, to be contributed by the Government of India. At the same time, it is said here that the proposal is subject to the vote of the Legislative Assembly. Unless and until this matter is brought before the House, what is the necessity of estimating the expenditure and bringing it to the notice of this Assembly through this proceeding. The matter should have been brought before the Legislative Assembly in clear terms and the sanction of the Assembly ought to have been obtained. This is the way in which matters are imperceptibly brought to the House and the House is asked to commit itself to the expenditure, when the matter has already been settled. I thought it proper to raise this point, that such kind of commitment should not be brought before the House in this imperceptible way.

Mr. Muhammad Nauman (Patna and Chota Nagpur cum Orissa: Muhammadan): I want to draw the attention of the House to one small thing. Under (f) the explanation given here is—payments to Provincial Governments for administrative expenses of the small savings scheme. More money has already been taken under Demand No. 11. In reply to the objections we raised yesterday,

[Mr. Muhammad Nauman.]

the Government said they are not responsible for whatever hardships that may be caused in the realisation of the compulsory savings. I find that the entire staff in the provinces is being maintained by the Central Government, who ought to be responsible for their deeds and misdeeds and not the Provincial Governments. The presumption is that whatever is being done is being done with the consent and approval of the Government of India. The Government of India should take the responsibility and see what is being done in the provinces and how it should be done. This is the only point I wanted to bring to the notice of the House.

The Honourable Sir Jeremy Raisman: Sir, I am afraid I was unable to hear a single word of what my Honourable friend, Maulvi Abdul Ghani, said. So, I cannot deal with the points he raised.

As regards the question asked by Mr. Avinashilingam Chettiar, the position is somewhat technical. Under Demand No. 64, certain Miscellaneous Departments are accounted for. If a department is not sufficiently large to have a heading to itself in the Demands, then, it is lumped together with others under the Heading 'Miscellaneous Departments' and it is the Miscellaneous Departments which are catered for under Demand No. 64. Although they are called Miscellaneous Departments, they are certain definite small departments. Then besides that, you have miscellaneous expenditure, that is really miscellaneous . .

Mr. T. S. Avinashilingam Chettiar: The amount involved deals definitely with labour co-ordination. That could have been put under the Labour Department.

The Honourable Sir Jeremy Raisman: The Labour Department, as I understand it, is the expenditure at the headquarters of the Labour Department. The Secretariat Head—Labour Department—is to provide for the headquarters organisation, whereas this is a different matter. The other head to which my Honourable friend referred is a new head which has been opened since the War to accommodate miscellaneous expenditure arising out of the war and that is again another type of miscellaneous expenditure. My Honourable friend will realise that items like this are due to various forms of new activities and they do not all fit quite neatly into the pre-existing classification and that means that some new head has to be opened up.

Now, as regards the observations made by Mr. Nauman, the sum which is provided here under Small Savings Scheme is for payments to Provincial Governments for administrative expenses of the Small Savings Scheme, that is to say, if Provincial Governments have been involved in any additional expenditure on account of the Small Savings Scheme, then they expect us to reimburse them. They may, for instance, employ some additional staff at the headquarters or something of that kind but that does not mean that because of this expenditure the Government of India has assumed control over the ordinary district staff or that we are in a position to issue orders to the Collector of a district as to how he should carry out the Provincial Savings Scheme. The actual Provincial savings schemes which are being adopted by the provinces are adopted by a decision of the Provincial Governments after discussion with the Central Government and the Provincial Governments then proceed to issue instructions to all their existing staffs as to what they require them to do in connection with that decision.

Mr. Muhammad Nauman: The Provincial Governments send their instructions in consultation with the Government of India.

The Honourable Sir Jeremy Raisman: But that does not alter the position. There are many things in regard to which there are discussions of policy between the Central Government and the Provinces, but the actual administration of those matters may still be entirely within the competence of the Provincial Governments, and that is the position in relation to this.

I do not know whether there was any other point raised. I am afraid I could not hear any of the observations made by Mr. Abdul Ghani

Nawabzada Muhammad Liaquat Ali Khan (Rohilkund and Kumaon Divisions: Muhammadan Rural): May I ask a question from the Honourable Member as he was not able to hear what Maulvi Muhammad Abdul Ghani said? Is it a fact that under this head certain amount is included which has been spent or is to be spent in connection with U.N.R.R.A.? If so, why is that to be done without obtaining the vote of the House whether India should join this Association or not?

The Honourable Dr. N. B. Khare: It is not in connection with U.N.R.R.A. It is in connection with another Committee called Inter-Governmental Relief Committee.

The Honourable Sir Jeremy Raisman: The answer to the first question is in the negative and the second question does not arise!

Mr. President (The Honourable Sir Abdur Rahim): The question is: "That a supplementary sum not exceeding Rs. 45,49,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Miscellaneous'." The motion was adopted.

DEMAND NO. 71A.—GRANTS-IN-AID TO PROVINCIAL GOVERNMENTS.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 3,00,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Grants-in-aid to Provincial Governments'."

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

"That a supplementary sum not exceeding Rs. 3,00,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Grants-in-aid to Provincial Governments'."

Seth Yusuf Abdoola Haroon: Sir, it was expected that, because of such a famine prevailing in Bengal and the disaster that has fallen on that province, Government would have contributed a substantial amount to the Provincial Government. The amount of 3 crores is not sufficient for this purpose and I hope the Government will re-consider this matter.

Mr. T. S. Avinashilingam Chettiar: Sir, while we welcome the contribution to the Bengal Government, we will request the Government of India to satisfy themselves of the very serious allegations that have been made within the province as well as outside it. The charges of corruption have been levelled against it and we would like to know whether there is any ground for that. We are making a grant of such a large amount and I do wish that any amount that may be deemed necessary should be given to the Bengal Government, but the Government of India must be satisfied that it is spent properly.

The Honourable Sir Jeremy Raisman: Sir, I think this is rather an amusing situation. The Parties to which both these Honourable Members belong have just refused to vote all the means whereby this Government could carry on any of these activities. They have refused to vote us a single rupee for the purpose of assisting Bengal in its present difficulties and I do not know whether I should refer my Honourable friends to their friends in the Government of Bengal or what else I should do. Who is to take the responsibility now for dealing with the very serious problems which arise at this moment and from day to day? Why should I be plagued with them?

Nawabzada Muhammad Liaquat Ali Khan: Because you take all the money you want in spite of the vote of the House.

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

"That a supplementary sum not exceeding Rs. 3,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Grants-in-aid to Provincial Governments'."

The motion was adopted.

DEMAND No. 72.—MISCELLANEOUS ADJUSTMENTS BETWEEN THE CENTRAL AND THE PROVINCIAL GOVERNMENTS.

The Honourable Sir Jeremy Raisman: Sir, I move:

“That a supplementary sum not exceeding Rs. 12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Miscellaneous Adjustments between the Central and Provincial Governments.’”

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

“That a supplementary sum not exceeding Rs. 12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Miscellaneous Adjustments between the Central and Provincial Governments.’”

The motion was adopted.

DEMAND No. 73.—CIVIL DEFENCE.

The Honourable Sir Jeremy Raisman: Sir, I move.

“That a supplementary sum not exceeding Rs. 97,60,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Civil Defence.’”

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

“That a supplementary sum not exceeding Rs. 97,60,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Civil Defence.’”

The motion was adopted.

DEMAND No. 74.—DELHI.

The Honourable Sir Jeremy Raisman: Sir, I move:

“That a supplementary sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Delhi.’”

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

“That a supplementary sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of ‘Delhi.’”

Maulvi Muhammad Abdul Ghani: Sir, this is a token demand as is indicated in the Schedule of Supplementary Demands and it is in connection with the Delhi rationing scheme . . .

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member should raise his voice. He is wasting his time if he cannot make himself heard. Will the Honourable Member come nearer?

(The Honourable Member came to the front bench.)

Maulvi Muhammad Abdul Ghani: Sir, this demand is in connection with the Delhi rationing scheme. In the year under report, it appears that in connection with Delhi rationing scheme there will be a recurring expenditure of about Rs. 58,000 and a token demand has been presented. The people here have got grievances against the Local Administration that the arrangement which is being made is not at all satisfactory.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot go into that.

Maulvi Muhammad Abdul Ghani: I can go into that because this is an entirely new demand.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot go into the question of the administration of Delhi on a supplementary demand.

Nawabzada Muhammad Liaquat Ali Khan: The Honourable Member wants to raise certain points with regard to rationing for which money is required.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member can do that.

Maulvi Muhammad Abdul Ghani: Besides, Sir, no portion of this amount was provided in the original budget nor has it been provided in this year's Budget and only a token demand has been presented before the House. I am given to understand that all the people who were formerly serving under A.R.P. have been employed in this new scheme. People who offered their services in connection with the A.R.P. have been employed and I do not see

How their services will be useful in the scheme under consideration. Cent. per cent. men of the A.R.P. have been imported into this scheme and also men belonging to vested interests. So, the people of Delhi are very much dissatisfied with this arrangement. I think this is the time when the Government of India should impress upon the Provincial Government that such things should not recur in the future and that proper arrangements should be made so that people of the locality may have adequate share in the scheme for the distribution of commodities. They should not employ people of undesirable character so that the people of the locality may not be harassed. It is mainly with this object that I have raised this question at this moment.

The Honourable Sir Jwala Prasad Srivastava (Food Member): Sir, I have nothing to say. I shall look into the complaint brought to my notice by the Honourable Member. I shall draw the attention of the Delhi Administration to it.

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

"That a supplementary sum not exceeding Rs. 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st March, 1944, in respect of 'Delhi'."

The motion was adopted.

DEMAND No. 76.—PANTH PIPLODA.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 2,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Panth Piploda'."

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

"That a supplementary sum not exceeding Rs. 2,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Panth Piploda'."

The motion was adopted.

DEMAND No. 78—INDIAN POSTS AND TELEGRAPHS—STORES SUSPENSE (NOT MET FROM REVENUE).

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 78,81,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Indian Posts and Telegraphs—Stores Suspense, (Not met from Revenue)'."

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

"That a supplementary sum not exceeding Rs. 78,81,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Indian Posts and Telegraphs—Stores Suspense, (Not met from Revenue)'."

The motion was adopted.

DEMAND No. 81.—INTEREST-FREE ADVANCES.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 1,88,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Interest-Free Advances'."

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

"That a supplementary sum not exceeding Rs. 1,88,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Interest-Free Advances'."

The motion was adopted.

DEMAND No. 82.—LOANS AND ADVANCE BEARING INTEREST.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 11,24,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Loans and Advances bearing Interest'."

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

"That a supplementary sum not exceeding Rs. 11,24,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Loans and Advances bearing Interest'."

The motion was adopted.

DEMAND No. 64.—MISCELLANEOUS DEPARTMENTS—*contd.*

Mr. President (The Honourable Sir Abdur Rahim): The House will now take up Demand No. 64: Miscellaneous Departments, which was left over.

The Honourable Dr. B. R. Ambedkar: Sir, I think my Honourable friend, Mr. Avinashilingam Chettiar, wanted to know how the sum of Rs. 15,26,000 which finds a place here has not been mentioned in the Standing Finance Committee report. I have referred to the Report and I find that what he says is correct. I have sent for information from the Department to find out exactly what items this sum entered here represents. In the meantime if the Honourable Member wants some general information as to the matter with which this supplementary grant is concerned, I am quite prepared to give it to him.

Mr. T. S. Avinashilingam Chettiar: All this information is given in the Memorandum.

The Honourable Dr. B. R. Ambedkar: The scheme of employment exchanges has been fully explained in the report of the Standing Finance Committee.

Mr. T. S. Avinashilingam Chettiar: What we want is explanation for the figures.

The Honourable Dr. B. R. Ambedkar: With regard to the bigger item, briefly the facts are these. As Honourable Members know, there has been a great deal of competition for unskilled labour by different contractors working for Government in the civil departments as well as those working for the military department. In order to remove the causes of this competition which has the result of enticing away essential labour from important fields of work, and which has also the consequence of raising the wages of labour beyond reasonable limits, Government thought it necessary to establish certain Committees in order to deal with this problem. What the Government has done is to bring into operation two different schemes, one scheme is called Labour Supply Committee scheme, which operates in certain Provinces such as Bengal, Assam which are very closely situated with military operations. The second thing which the Government has done is to raise what are called depots of labour, and one particular depot is the depot which has been established at Gorakhpur. Most of the unskilled labour is collected and sorted out and supplied either to coal mines or to military works. The expenditure which is mentioned under 'M'—Labour co-ordination of unskilled scheme—is really expenditure which is concerned under these two schemes which I have mentioned. That is all I have to say.

Mr. N. M. Joshi (Nominated Non-Official): Sir, the Honourable Member has told us about his two schemes, one is the Labour Supply Committee and the second is the scheme of arranging for depots for supplying labour and sending them for different purposes to other places. Now, Sir, as regards this Labour Supply Committee, I would like the Honourable Member to tell us whether there are any representatives of labour on these Committees wherever these Committees are started.

The Honourable Dr. B. R. Ambedkar: I might just mention that I only passed orders yesterday for the representation of labour on these Labour Supply Committees.

Mr. N. M. Joshi: I am glad to find that the Honourable Member has provided that there will be labour representation on these Committees. I would like also to ask the Honourable Member to give the House an assurance that when labourers are sent from one centre to another they will have sufficient facilities provided to return to their places if they find that the conditions where they are asked to work are not satisfactory. The House

knows very well what evils arise when labourers are sent to places which are distant from their homes. For instance, these evils arose in old times when labourers from all over the country were sent to Assam. Now we are reviving this scheme of sending labourers from one place to another or from one province to another; and therefore it is necessary to take all precautions to see that these labourers are not compelled to work under unsatisfactory conditions. Therefore, my suggestion to the Government of India is that when they send labourers to another centre they should give these men return tickets so that if conditions turn out to be unsatisfactory they may return to their homes, instead of being compelled to work there simply because they have no money of their own to come back. Another benefit of these return tickets is this that people who employ these men will always provide good working conditions, because if the conditions are not satisfactory the men will come back. That fear should always be there for the employers and I, therefore, feel that they should take this step in order to safeguard the interests of labour.

Dr. Sir Zia Uddin Ahmad (United Provinces Southern Division Muhammadan Rural): Sir, there are two important items included in this demand in which I am interested and perhaps Mr. Joshi is also. One is the depot for war technicians and labour. It is a standing complaint from technician centres that we do not get sufficient recruits in time. Our opportunities are wasted, our machinery and instructors remain idle, and I advocated the setting up of some depot for supplying war technicians. At Aligarh I placed the fort at the disposal of the Labour Department and other buildings also where they could accommodate 500 people without spending any money. I think such a thing would be a great help to the centres who do not get recruits at the proper time and they can supply the right type of men. A little money spent in that way will lead to great economy.

The other thing in which I am interested is that the Labour Department is preparing special statistics about the index of living, i.e., the cost of living for these poor people at different towns. When Mr. Prior came up before the Standing Finance Committee I raised this point and asked that it should be transferred to the Commerce Department. But since they were preparing statistics of the cost of living for labour particularly, I agreed that they should go ahead and give some statistics so that we might be able to find out the true unit of wages.

If these two things are worked out properly it will be of great assistance and will economise work. Sir, I support this demand.

Mr. T. T. Krishnamachari: Sir, I have one question to ask, and that is: whether as a result of this expenditure any credits will accrue to Government either from the Defence services which employ this labour or other undertakings engaged in war work. Will it affect the expense on the labour involved?

The Honourable Sir Jeremy Raisman: Sir, I am not certain, but I would expect that in so far as Government are here undertaking the supply of labour for various purposes, they would in certain circumstances receive a credit for the expenditure incurred. I do not know whether these labour supply depots will deal with the supply of labour for coal mines. I expect they would. In that case I see no reason why the expenditure involved should not be recovered from the commercial interests to whom the labour is supplied. But, of course, there will naturally remain a certain amount of overhead expenditure which will probably be finally debited to Government. I think enough has been said to indicate why a large provision has been made for expenditure which may occur before the end of this year. It was quite clearly pointed out to the Standing Finance Committee that if a labour supply depot is set up we cannot say what the expenditure will be. The details regarding staff, equipment, etc., will depend largely on the size and the locality of each depot. Since this matter came before the Standing Finance Committee it is probable that certain depots have already begun to be set up; and that will

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explain why the department is now asking as large a sum as 15 lakhs for expenditure before the end of this year. I am told by my Honourable colleague the Labour Member that most of this expenditure will, as Mr. Krishnamachari surmised, be recoverable.

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

"That a supplementary sum not exceeding Rs. 15,26,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1944, in respect of 'Miscellaneous Departments'."

The motion was adopted.

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. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

THE INDIAN INCOME-TAX (AMENDMENT) BILL.

The Honourable Sir Jeremy Raisman (Finance Member): Sir, I move:

"That the Bill further to amend the Indian Income-tax Act, 1922, as reported by the Select Committee, be taken into consideration."

Sir, I do not propose to make a long speech on this occasion. The Report of the Select Committee brings out the main changes that have been made in the Bill. In the first place, dealing with clause 4, we spent sometime in considering the question of how to make a reasonable provision for endowment policies of a certain kind. It was realized that the original figure of 7 per cent. would exclude endowment insurance policies of less than a certain duration and after some discussion we came to the conclusion that that figure should be increased to 10 per cent. There were one or two members of the Committee who would have liked to have seen that figure increased still further. The point at issue really is this: In exempting the payment of premia for life insurance policies from income-tax the principle is that the State should encourage provision of this kind. But modern insurance policies besides providing for life insurance also have other aspects. They have for instance an ordinary investment aspect and also a 'with profits' policy partakes of the character of an ordinary commercial investment because the policyholder becomes, as it were, a participator in the profits of the business. Now, there is no principle of which I am aware whereby that element in the life insurance policy is entitled to be exempt from income-tax any more than any other form of business profits. It is also doubtful whether any concession is justified in the case of pure investment endowments, that is to say, the mere setting aside of sums in return for the receipt of a capital at some later date. However, Sir, we came to a compromise. We did not in the event restrict the concession to the purest kind of life insurance policy but by increasing the figure in clause 4 to 10 per cent. we have made some concession to the endowment assurance type of policy.

Coming to clause 5, which is the 'pay as you earn' clause, we made a very important change here, because we excluded from the obligations of this clause persons whose income, as last assessed, did not exceed Rs. 6,000. That has had the effect of excluding from the operation of this scheme some 2/3rd of the total number of assesseees.

Sir Cowasjee Jehangir (Bombay City: Non-Muhammadan Urban): Majority already pay as they go.

The Honourable Sir Jeremy Raisman: I mean of the total number who do not at present pay as they go; It excludes some 2/3rd of the total number, so that it is a very important concession. It reduces the total number of persons affected, I understand, to about 75,000 as against something like 250,000 before. I welcome the relief from the administrative burden entailed by the original scheme, and I feel that this is an improvement and it has been secured at a cost to the scheme which is not excessive. We calculate that the total amount which will fail to be imobilized under this amendment will probably only be in the neighbourhood of 5 or, at any rate, less than 10 per cent. of all the sums which we hoped to obtain under the original scheme. So that this amendment

has simplified the scheme administratively, it has provided relief to a large number of small assesseees and at the same time it has detracted only to a very small extent from the beneficial character of the main scheme. I will not say anything more on that. There will probably be points raised on the discussion of clauses which I shall deal with when they arise.

Coming to clause 14, a further simplification was made in this clause and the distinction between renewal premiums on policies for less than 12 years and renewal premiums on policies for twelve years or more, was removed and the figure of 12 per cent. was adopted for both cases. As explained in the Report of the Select Committee, this change has the effect of simplifying the procedure in calculating the tax and, as I understand it, does not reduce, broadly speaking, the allowances which were proposed in the Bill. I do not think, Sir, there is any other point which I need touch at this stage. The two members of the Committee who have appended minutes of dissent will no doubt argue their points as we come to the clauses.

Sir, I move.

Mr. Deputy President (Mr. Akhil Chandra Datta): Motion moved:

"That the Bill further to amend the Indian Income-tax Act, 1922, as reported by the Select Committee, be taken into consideration."

Sir Henry Richardson (Nominated Non-Official): Sir, there are several points in regard to this measure on which I wish to speak at this stage. In the first place, I want to make it quite clear that the main feature of the Bill, *viz.*, the principle of advance payments which is introduced by Section 18A, has our support as an anti-inflationary measure. This feature has been described by the Honourable the Finance Member as an important part of the Government plan to counter inflation, to check any further price rise and generally to stabilise the economic conditions. Therefore, it is purely an anti-inflationary proposal and consequently to that extent I think it should be a purely temporary measure. This being so, we feel it would have been better had this particular part of the proposals been embodied in the Finance Bill so that it would come up for consideration year by year instead of being enshrined in a permanent measure such as the Indian Income-tax Act itself. The Honourable the Finance Member may tell me that it could not be dealt with in any other way and this may very well be so, but my point is that whilst we agree on the principle of anti-inflation, we regard section 18A as bad in principle from a taxation point of view and we object to its inclusion as part of a permanent statute. It is important, therefore, for an assurance to be given on the floor of the House that this part of the measure is purely temporary and I suggest the Finance Member should also assure us that it will be withdrawn as early as possible. Just how any such assurance could be made effective and binding on any future administration is for Government to decide, but I suggest it ought to be embodied by a proviso in the Bill itself.

Sir, it may be argued that firms having once got into the habit of paying in advance would like the continuance of this method of meeting their taxation liabilities. So far as my information goes however, such is not the case. I am doubtful whether even the Finance Member or the Central Board of Revenue have fully appreciated the many difficulties that will arise and the extra work which will be involved both on his department as well as on assesseees as a consequence of this measure. Let me briefly enumerate some of these difficulties. For instance, notices will have to be issued and the income-tax officers will have to see that payments are made on the due date. When the assessment is completed, the income-tax officers will have to calculate the interest payable or receivable. When the excess profits tax assessments are being made, additional complications will arise in the calculation of average capital employed which is already a lengthy business. In the case of any assessee who elects to pay under the provisions of section 18A(2) he will have not only, to guess at his profit, but also at his dividend and he will be left with very little margin in the event of there being a disagreement between the assessee and the income-tax officer as to whether certain items are allowable charges

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or not. It is quite obvious, Sir, that in all cases where it is possible to do so assesses will choose the course laid down in section 18(A) (1), that is to say, they will pay their instalments on the basis of their last completed assessment. But obviously there will be many cases where for various reasons it will not be possible for this to be done and as I said before, I am afraid, that in the actual working of the scheme, complications, such as I have endeavoured to indicate, will inevitably result not only in increased labour on both sides but in increased delay in the ultimate completion of assessments both for income-tax and excess profits. I do not wish to go into the question of arrears of assessments. It was mentioned the other day by Sir Cowasjee Jehangir and we know only too well how such arrears complicate and increase the work of all concerned. The Income-tax Department has, I admit, had a heavy burden placed on it by the Finance Member's taxation proposals of recent years and I know very well that it is quite impossible to train the necessary staffs within the short period available and especially in these days when there is such a demand for qualified persons in other quarters. The shortage of staff does not, however, merely apply to Government offices. It is equally evident in commercial offices and also in those of Accountancy firms on whom a considerable portion of the extra work devolves. For all these reasons I hope I have made it clear that at the present moment there does not appear to be any likelihood of assesses wishing to continue as a permanent measure what apparently will be a very hazardous and complicated calculation and indeed I will go so far as to say that but for the fact that we support the principle of advance payments as an anti-inflationary measure, we would never agree to it in normal times, or at least without having an opportunity of far more detailed consideration of all the implications than is possible in the present circumstances. I hope, therefore, that the Finance Member will carefully consider the points that I have made and will find it possible to devise means whereby he can give the assurance which I seek that this particular part of the Act is to be considered as a temporary measure and that the Government will withdraw it as soon as they are satisfied that anti-inflationary measures are no longer needed.

The second point I wish to make is in regard to the Finance Member's statement in his Budget speech that the sums collected will be treated not as revenue but as deposits to be taken into revenue when the regular assessments are made. The question which arises in my mind is what effect will the extra money, which will be in Government's hands, have on their own borrowing policy? For instance, it may very well be that the money which they will receive as deposits would in the ordinary course actually be used by assesses as loans to Government, and, therefore, if Government, as the result of this extra money which they are to receive, reduce the volume of their borrowing, the anti-inflationary effect of the deposits would be largely nullified. I hope the Finance Member will be able, in his reply, to enlighten us with his views on this aspect of the matter.

Then, thirdly, Sir, I wish to call attention to the fact that the anti-inflationary effect of section 18A will be limited in both degree and period. It is limited in degree because, although its enactment which we are prepared to support will involve considerable sacrifice on the part of those already within the taxation net, it will do nothing to bring in those whose income is at present escaping assessment. We know that the Income-tax Department is always seeking avenues whereby they may bring to book those persons who have in the past avoided having their incomes taxed for various reasons although they were, in fact, liable. At the same time, and I expect the Honourable the Finance Member and his colleagues are well aware of this, the view is held that there are still very many persons who are able, by various means, to escape assessment. It is, therefore, only right and proper that the introduction of the principle of advance payments, which, as I have already said, will involve considerable sacrifice on the part of those already within the taxation net, should

be accompanied by rigorous measures to bring into assessment those at present escaping it in whole or in part. I would suggest as one such measure that means should be provided whereby contractors should be taxed at source. It is notorious that very large profits are being made mainly by Government contractors and that great difficulty is found in bringing them to assessment. Presumably each contractor works on a theoretical marginal profit, and I feel that it should not be impossible to devise a means whereby at least that profit is taxed at source.

Sir Cowasjee Jehangir: They will only be too willing to give.

Sir Henry Richardson: The other day I suggested that steps should be taken to track down the large amounts of surplus hoarded cash. It may well be that these will give a clue to dishonest assesseees. There must be many other cases within the Income-tax Department's knowledge which by investigation can be brought into the taxation net, and, we are, therefore, most anxious to be assured by the Finance Member that his Department will, along with the measures which now have our support, accompany them by a vigorous drive with all the force at his command to bring to book all those persons who are at present avoiding their share of the burden which honest assesseees are bearing. I also suggest the widest publicity should be given to the names of those found defaulting.

So much for the limitation of the anti-inflationary effects in degree. I also stated that the effects were limited by period and, of course, by that I mean that, so far as can be seen, the anti-inflationary effect will be for the period of one year during which in effect two years' taxes will be collected. The Finance Member, when speaking in reply to the debate for moving the Bill for reference to a Select Committee, stated he estimated the scope of the measure from the anti-inflationary point of view at something like 50 crores. Well, Sir, it remains to be seen at the end of the period whether the withdrawal of this money from the market along with the other measures which are combined in the Budget proposals, has the anti-inflationary effect which the Honourable the Finance Member and we all hope for. But I wish to emphasise that the present measure is limited in regard to its period of effect in the manner which I have indicated.

I must now turn to an important aspect which the principle of advance payments is likely to raise regarding delays in payment of Bills by Government Departments. The pressure on assesseees to find the wherewithal to meet the liability imposed by section 18A must inevitably result in their exerting in turn increased pressure on all those who owe them money. I am informed that the Supply Department is the most likely concern to be singled out for criticism in this respect, and which perhaps is not surprising considering its enormous purchases. But other Government Departments are also involved and I understand the complaint does not merely extend to the delay in payment of Bills, but also relates to delay by Government in taking delivery of ordered goods thus preventing the seller from realising his dues. I hope that Government will appreciate that this new measure does necessitate prompt payment and that they will take effective steps to see that Government debts are paid as punctually as Government expect honest assesseees to pay theirs.

Dr. P. N. Banerjee (Calcutta Suburbs: Non-Muhammadan Urban): Reciprocity.

Sir Henry Richardson: Finally, Sir, I have to refer to certain hardship cases. Since these proposals were made public, considerable misapprehension has been expressed to us by certain professional and other persons as to how they will be able to find the necessary means to meet the tax due on their current assessment as well as the advance payments to be made on account of their next assessment all within the same year. Many such persons are actually now under contractual obligations which absorb all the profits of their business after providing for their living expenses. The question is, how can an assessee be expected to pay two years taxes in one when he literally has not got the money to do so? It has been suggested that where a person can prove

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his to be a genuine hardship case, then he should be given additional time in which to pay. We have been strongly pressed to insist on provision being made in the Act for such cases, but it has been explained to us that such a provision would be almost impossible to frame without at the same time providing a loophole of escape to dishonest assesseees and which, of course, is the last thing we desire to permit. Therefore, Sir, alleviation by administrative direction and action appears to be the only alternative. But I must make it quite clear that in agreeing to desist from advocating legislative protection, we must ask in all seriousness that very explicit directions be given by the Central Board of Revenue. There is no doubt from information which has been given us that actual cases do exist of persons, who have had nothing to do with inflationary tendencies but who will be placed in such a position by this measure that they may have to close down their businesses. In the treatment to be accorded to such genuine hardship cases it is absolutely essential that there shall be no misunderstanding or mistake made and we must insist on very precise administrative directions being issued to all those concerned in order that the absence of legislative protection shall not be made any excuse by income-tax officials for not providing alleviation in some form or other. It is upon our being satisfied as to this that our support of this measure depends.

3 P.M.

Sir Cowasjee Jehangir: Mr. Deputy President, during the 15 Budget Sessions that I have attended in this Honourable House, this is the first time that I see the Income-tax Act amended at the same time and I would like to voice a protest against this sort of measure being brought in at such a time. All financial proposals with regard to the Budget should be included in the Finance Bill and there was no reason why an amendment of the Act should have been sought at such a time. Besides that, the Act is being amended in other directions. Surely, the Finance Member could have found some other Session to bring in an amending Act, but he chose this Session which is crowded with work (*An Honourable Member:* "Overcrowded") when he himself bears most of the burden. (*An Honourable Member:* "He has got broad shoulders".) During such a time, is it fair that we should be asked suddenly to consider the amendment of the Income-tax Act and, therefore, I echo several of the sentiments expressed by my Honourable friend who has just sat down. I think the Finance Member could have included his measure of 'Pay as you go' in the Finance Bill and I certainly do echo most strongly the opinion expressed by Sir Henry Richardson that this should not be a permanent measure, if it is passed at all.

Dr. P. N. Banerjee: Have you any doubt about it?

Sir Cowasjee Jehangir: The Finance Member will try and pass it. It will depend upon the Honourable Members whether you accept the amendments.

Dr. P. N. Banerjee: You will vote with us?

Sir Cowasjee Jehangir: Certainly, decidedly so. I will vote according to my conscientious opinions. One would have imagined from the speech of Sir Henry Richardson and the strong condemnation that he expressed in nearly every line of his speech that he would have wound up by saying that he would vote against the whole of the Bill. He did wind up by saying that his support was conditional. It may be that he may have to withdraw his support before the discussion on the Bill is over.

Now, Sir, it is said that this new clause 18A is an anti-inflationary measure. I am afraid I cannot agree. I did at some length try to explain my own humble opinion as to what is an anti-inflationary measure and how all these measures, both in the Finance Bill and in this amending Bill, will really affect the inflationary tendencies in this country. The money which he is now seeking to get under the new clause 18A is, in my opinion, already sterilised and if left in the hands of the assesseees and during the short period that it can be left, it will not have an inflationary tendency. I cannot therefore admit that section 18A is an anti-inflationary measure. If it had been purely and simply an anti-inflationary measure, it would have been in the Finance Bill and it would not

have been, as complained of by Sir Henry Richardson, included in a statute which is supposed to be permanent. I can see no reason whatsoever for making this measure permanent. Personally I am against the whole of new section 18A and I would be prepared to support a rejection of the whole of clause 5 but we may be helpless and may have to accept it, in which case amendments will become necessary. Personally, I believe, as I have already said, that the department will not be able to cope with this extra work, but the Honourable the Finance Member believes that the work imposed upon the department will be purely of a clerical character. I think Sir Henry Richardson has shown that it will not be the case. I do not wish to take up the time of this Honourable House by going into further details, but to say that the work is merely clerical is an extraordinary statement. Assesseees will go to the department for instructions. They will go for advice and there will have to be a responsible officer present to give them that advice and assistance that is due to them. From where is he going to get the staff?

Then, there is a certain class of assesseees who will have great difficulties. He has to pay income-tax on his income for the last 3 months. It will be very difficult for him to say what his income is going to be in the next three months. A certain class of assesseees may make a profit in three months. He may make a loss in the next three. This may go on varying from three months to three months and it will be only at the end of his financial year that he will be in a position to know whether he has made a profit or a loss and still he is asked to estimate his profit, his income for the last three months and that is sought to be made a permanent measure. Such a measure may exist in some parts of the world. I do not know whether it exists in England.

Sir John Sheehy (Government of India: Nominated Official): No.

Sir Cowasjee Jehangir: It does not exist in England.

Sir John Sheehy: They have it in Canada and the United States of America.

Sir Cowasjee Jehangir: It is in Canada and in the United States of America, but they have not this pay-as-you-go in England.

Sir John Sheehy: They have a pay-as-you-go scheme in England.

Sir Cowasjee Jehangir: They may have pay-as-you-go for fixed salaries, that is to say, tax cut off at the source. But they have not got such a measure, pay-as-you-go, as is visualised by the Honourable Member in this Bill. Let us candidly admit—and I think the Honourable Members on the Government Benches will have to admit it—that our Income-tax Department is not by any means as well organised as it is in England. In India they are not prepared and cannot give that assistance to the assesseees that an English assessee gets in England. Yet out here they desire to run when they are hardly able to walk. We are going in for legislation, the effects of which we do not realise. Besides, the advantages to be obtained are of a very doubtful character even in war time. I have already placed before this Honourable House an alternative. I do not like it myself but it is an alternative. If assessments are to be hurried up and if money is to come into the Government treasury as quickly as possible, let it be by a measure that will give less trouble to the assesseees and less trouble to the Department.

Sir, assesseees are of different kinds and their business is of a very varied character. Such a provision may not inconvenience me personally, but I can visualise may instances in which this provision will cause not only inconvenience but may even become impossible of being put into effect. Take the instance of a stock-broker. He is inclined to be a little speculative and his income in every three months must vary and such a man will find it very difficult.

The Honourable Sir Jeremy Raisman: Let him take his last assessment and for once let him curb his speculative desires.

Sir Cowasjee Jehangir: The Honourable Member is trying to curb the speculative desires of the public. May I ask him to put a little more modification on his own speculative desires in trying to get money, in every possible way? A little modification in that direction is just as much required of the Honourable Member as a modification in the character of the speculative man in India.

[Sir Cowasjee Jehangir.]

At any rate, you will have to go to your assessed income. As I have already said, there are several cases in which the last assessment may be in a year in which the man has made a loss. There have been cases where the assessment has not been fixed for 1940 or 1939, but 1941 is a common thing. Now, the point that I wish to make is this. As we progress in the war, these large profits of companies will decrease. We must come to a time when these profits will go on the downward plane and then he will be called upon to pay income-tax and super-tax on a profit which is much larger than the one he made in the last three months. The assessed period will be a period of prosperity and it may very well happen that the period for which he has to pay income-tax and super-tax may be a period of slump. We are in exceptional times and, therefore, he will have to fall back upon an estimate. He is not going to pay twice the amount of income-tax and super-tax than is due to Government for that period of three months. It is bound to be so in a year or so. You cannot expect the same profits in 1945 and 1946 as you got in 1943 and 1944 and you will be asked to pay in 1945 and 1946 on three months' basis of 1943 and 1944. You will, therefore, be paying income-tax and super-tax on much larger incomes than you will be making during the period of payment. Therefore, you will be driven to estimates, and in making estimates you will come upon many of the difficulties which have already been explained by my Honourable friend, Sir Henry Richardson. Therefore, considering the measure as a whole—I am only talking of clause 5 and this new section 18A—I consider it impracticable and unnecessary and, therefore, this Honourable House should throw it out. If that is not possible because I see a number of empty benches in front of me, then I would suggest that the whole matter be simplified and the whole of this clause be re-drafted so as to make the assessee pay his income-tax and super-tax in the month after the assessee's year is finished on his own estimate or on the last assessed year. At least a large number of the assessees will then know or have some idea of the profits made or the losses incurred and then they will be able to make some estimate of the amount of income-tax and super-tax they have to pay. It will bring more into the treasury, in my opinion, than this pay-as-you-go system. It will hurry up assessments and you will get money quickly. I would suggest that if we cannot throw out the whole of the clause, then my amendment should get a sympathetic consideration of the House. I have nothing further to say except this that it is rather premature and, I would repeat, it has been brought before this House in an exceptional form and I hope and trust no Finance Member will in future attempt to amend the Income-tax Act during the Budget Session.

Mr. T. T. Krishnamachari (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Mr. Deputy President, I am emboldened to rise at this stage because of the lead given by my Honourable friend, Sir Henry Richardson. It is a well-known principle of parliamentary legislation and perhaps it was enunciated by a person who bore the same name as the Finance Member, Jeremy Bentham, that considerable time must be allowed for the passing of any legislation. But I see that even the short time that has been vouchsafed to us has had the effect of making the Leader of the European Group see the pitfalls in this amending Bill that is before the House today. I did not see the same amount of caution nor did I see any sign of the same amount of fears that are now entertained by my Honourable friend, Sir Henry Richardson, at the time when we met to discuss this Bill over a table. But, Sir, even the short time that has been vouchsafed to us has made him see the pitfalls in this Bill and if a little more time is given, I am sure the public in this country will rise with one voice and protest against this new section that is being added to the Income-tax Act by means of section 18A. Sir, this is not the time for me to reinforce the arguments so ably put forward by my Honourable friend, Sir Henry Richardson. It would probably have been better if the Government had done away with the necessity of using legislation for this purpose and brought in section 18-A as an ordinance. Then, we would have known

the temporary nature of that measure and would have been content, as we are content, to put up with so many ordinances that now encircle us and strangle us today. But I think it is a very very relevant point that Sir Henry Richardson made today that this is an avowedly temporary power that the Government want to take for a specific purpose, namely, to check inflation in the country and it should have been specifically stated within the body of the amending Bill as being temporary. I hope the Government would even now take the suggestion of my Honourable friend and add another clause to section 18-A and say that after such and such a time, say, after the end of the war, perhaps, unless deflationary tendencies have gathered momentum before then, this particular section will be null and void. My Honourable friend, Sir Henry Richardson, speaking on behalf of big business voiced certain fears. Sir, the very colour of the skin that he has is proof against harassment by officials in this country. If my Honourable friend should entertain fears that people would be handicapped by reason of the improvisations contemplated in this section and its introduction into the Income-tax Act, what can I say of the fears of people who are not so advantageously placed for one thing, and who belong to the middle classes. I have no right to speak on behalf of those who are actually well-to-do or the big businessmen in this country. I have no knowledge of their difficulties, but I do maintain that I have a right to speak on behalf of the vast multitude of middle class people, traders and merchants and professional men to whom this section 18-A is going to be a very veritable hornet's nest because it will create a lot of trouble and harassment. I have indicated my dissent to certain provisions of section 18-A. But it does not mean that I have given my approval to section 18-A at all. I only wish my Honourable friend, Sir Henry Richardson, had echoed the same sentiments as those echoed by my Honourable friend, Sir Cowasjee Jehangir and said here and now, let us be done with that section 18-A, we do not want it. It would save a lot of trouble. But I do not think that it is going to be possible to make the Government change their mind, so we have necessarily to do what we can to mitigate the evil that will arise out of the operation of section 18-A. At this stage, I would like to add my own weak voice to the powerful voice of Sir Henry Richardson and ask the Honourable the Finance Member if he would give us an assurance that this section will be purely temporary one.

With regard to the other very valid point raised by my Honourable friend, Sir Henry Richardson, in regard to the payment of two years taxes in one, it is a point that I raised earlier in this debate on this matter. My Honourable friend, Sir Henry Richardson, hopes for mercy from people from whom no mercy would ever emanate, he hopes for administrative direction in regard to the alleviation of difficulties of assesseees who will become broke if they are asked to pay two years taxes in one. What a hope! If he cannot use his powerful influence to incorporate in this legislation, a legislative direction in hard cases, there is very little hope that administratively, except in the case of people of his own community, who can get access to the Commissioner of Income-tax and the higher powers, any alleviation could be obtained by administrative direction. I have not been convinced either by the opening speech of the Honourable the Finance Member while introducing the Bill or by the speech that he delivered a few minutes ago that section 18-A is going to have such a powerful effect in damping inflation in this country today. I am unable to accept the rather tall statement put forward by him that he is going to collect 50 crores by means of this new provision. If assessments which ought to have been made in 1941-42 and in 1942-43 have not been made, if people who owe taxes for the years 1941-42 and 1942-43 have not paid their taxes, if his Department has not collected these taxes, probably it will amount in the aggregate to several 50 crores, what a hope there is of his being able to collect this large sum of 50 crores now by means of this provision. The result of the operation of section 18-A will be this, that the ordinary people will be harassed and the well-to-do belonging to my friend, Sir Henry Richardson's community, by virtue of the privileged position they hold in the economic and political life of his country,

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will never pay if they do not choose to pay. Sir, having all these in view, having in view that great support that has been given to the fears that I have voiced consistently ever since this Bill saw the light of day, from an unexpected quarter, I mean the European Group, I am hopeful that something may come out of these amendments that are being put before the House.

But I should like the Honourable the Finance Member to realise this. I am not going into the details which I shall have an opportunity to do at a later stage. What is the use of merely arming himself with greater powers to get more and more money from people, if side by side, he is not going to augment the strength and intensify the vigilance of his own Department. Secondly, is he aware himself of the vast powers that the Department possesses which he seeks to reinforce by additional powers by this particular section 18-A? There is one standing grievance of various assesseees in this country, a grievance which I think must be within the knowledge of the Honourable the Finance Member. There is no provision in the Income-tax Act which can compel an assessee to disclose to the Income-tax Officer a statement of his total wealth, not as far as I know. But for several years past, the Income-tax Officers have sent polite letters to assesseees accompanied by a form which they want the assessee to fill up, showing the total wealth of the assessee. The questionnaire is a very wide one. It includes even the trinkets that an assessee's wife or his children or dependents possess. All these have got to be valued and shown in the particulars furnished. I think this is an atrocious obligation laid on the assesseees without any legal sanction. This has been going on for a long time past. My Honourable friend, the Finance Member and his Assistant, Sir John Sheehy, must be aware of this. Legally every assessee can refuse to answer it. But what chance is there of his successfully persisting in that attitude. The Income-tax Officer will get his answer from the assessee, willy-nilly, somehow or other. I am merely giving one instance of what the Income-tax Officers can do without any legal sanction whatever and what they go on doing, aided by the Honourable Member's own Department. So, why include stringent provisions in section 18-A? Why these penalties, when you have a department which is so powerful as to make an assessee not merely tell them about all his wealth that the Income-tax Officer wants him to disclose but also furnish details of even the trinkets which the assessee's wife or his children might have. I think the operation of this section 18-A is going to cause a lot of hardship to most of the assesseees, and with that knowledge that we have, we are afraid, that the provisions of section 18-A are going to be operated in such a manner that those people who are voiceless and without influence are going to be harassed, whereas people who owe Government the tax for 1941-42 and 1942-43 can defy them with impunity.

Sir, I shall have something more to say later on when the particular sub-clauses come up for discussion. But, as I said before, I felt that two Honourable Members, who spoke before me, having set the ball rolling, I should say, now how as a Member of the Assembly I view with great fear and trepidation the operation of this section 18-A. And if only the people of this country are given a little more time I am sure those empty benches will no longer remain empty; their constituents will give them a mandate to go to the Legislature and vote down this particular measure.

Mr. B. B. Gupta (Cities of the United Provinces: Non-Muhammadan Urban): Sir, I think the fallacy of the inflation presented by this Income-tax Amendment Bill has been amply falsified by the previous speakers. I think it has been satisfactorily established that as an anti-inflationary measure section 18-A will not have much effect. I will not repeat the arguments advanced in support of that view. It has been proved by previous speakers that if at all this three-monthly deposit will succeed in withdrawing some money there is no guarantee that the same amount of money will not be borrowed; and if that is done the actual effect in the form of anti-inflation will be almost nullified. I should like to point out that if the object of bringing forward this

Bill was only anti-inflationary, there were several other methods by which that process could be better obtained without placing undue extra burdens upon the already overworked Income-tax Officers. My Honourable friend, Sir Cowasjee Jehangir, has already pointed out that attempts should be made to hurry up the assessment of those firms whose assessments are falling in arrears for the last three or four years. One of my friends from Bombay was telling me that if all those assessments are completed during the year they will bring in about 75 or 100 crores more into the Government coffers. I have no means of verifying this but my own information is that if not 75 or 100 crores, quite a large sum is still lying to be collected because the assessments of many parties have not yet been completed. The reason for that is obvious, viz., the department is unable to do it for want of time and for want of men. That shows how overworked the department already is. It is said that this measure will not entail extra work on officers. But I will point out that you have provided that assesseees can choose their previous assessments to make quarterly reports if they so desire. There are several objections to that, some of which have been pointed out already by Sir Cowasjee Jehangir, that it is simply impracticable and impossible for any assessee to choose the previous assessment. But suppose that is done there is a party whose assessment has not been completed since the year 1939, when that year's assessment is completed he will pay the instalment on the basis of that assessment. Then again for 1940 the year's assessment is completed and if it is found to be varying in profits the instalments have to be readjusted. After a month or two again the assessment of 1941 is completed and again an adjustment in the instalment will be required. So we go on till the last instalment is completed. Suppose in the meantime in some of the years there is some dispute between the assessee and the department, and the matter is referred to the appellate court. What will be the position at that time and will the assessee be required to pay on the amount which he claims to be correct or on the amount at which he has been assessed by the department? That point has not been made clear, but that is beside the point. I just wanted to point out how regularly there will be additional and new work thrown upon the department as well as upon the assessee. As I have said before, if it was only desired to use it as an anti-inflationary measure there are several other methods which can be adopted without bringing in so many further complications into the process. If you allow the assessee temptations to deposit the money in advance will it not serve the same purpose? I pointed out that if the Finance Member wanted to withdraw money from business as quickly as possible and if that is the only desire he can adopt another scheme which I am now going to propose. If he increases the rate of interest payable to the assessee from 2 per cent. to 3 per cent. and allows whatever money is deposited by the assessee to be added in the chargeable accounting period to increase the capital on which that percentage will be allowed, I think that will be a good temptation to the assesseees to deposit money even without a demand being made for it. Many such other schemes can be found by which the assesseees can be tempted to deposit money if they can really spare that money from the immediate needs of their business. It has been already pointed out that if the anti-inflationary idea was the only reason for bringing forward this Bill it could very well be brought in along with the Finance Bill. What was the necessity of bringing it forward as an independent measure and to embody it permanently in the Income-tax Act? I hope the Honourable the Finance Member will throw light on this point and will let us know the real intentions of his department.

Coming now to the actual impracticability of the enforcement of this clause, I will point out that you want money to be paid by the assesseees either on the last assessment or on his own calculation. If his calculation falls short of 80 per cent., in that case he will have to pay two penalties: (1) penalty in the shape of interest at the rate of 6 per cent., and (2) if the officer assessing the firm finds that he has purposely evaded, he will also subject that assessee to the penalty provided under section 28 (a). I want to point out that after all

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this is a temporary measure. You will take the money in instalments only for one year and at the end of the year the party will be assessed. Then why do you impose this second penalty? I think, penalty in the shape of interest is sufficient to deter the people to assess their income less than what they can honestly assess. My Honourable friend, Sir Cowasjee Jehangir, has already pointed out, and I have also explained, that nobody would like to pay on the last assessment for the simple reason that the profits in the coming year will be much less than what they were last year and before that. The Honourable the Finance Member will himself vouchsafe this fact that the Government has been taking all possible measures to reduce the profits of all sort of businesses. In view of that fact if the money is to be paid in advance on the old assessment that means that the firms would have to pay sometime even double than what their actual income during the year will be. Why should they do that? In the case of commercial firms at least, the Honourable the Finance Member must be knowing—and his Department also knows it too—that even now supposing a firm closes its financial year in 1941—and here I am talking about commercial business—that firm is taxed in 1943. In the case of commercial business, it is impracticable and impossible for any firm to complete its year's account in two or three months time. It takes them a year or even two years to complete the accounts. The question can be asked, 'why the firms should not try to keep their accounts in such a way that they are able to compute their profit and loss as and when they want?' But, Sir, I will submit that it is simply impossible. I know as a practical businessman, having commercial as well as industrial business, that I have been trying myself for the last four years to bring my accounts to such a position, but because our accounts are related to the prevailing system in the country which has been going on on those lines for hundreds of years, it is not so easy even if one attempts, and sincerely attempts, to compute his profit and loss as and when he wants. Even if an attempt is made, it will take several years before the general system prevailing in the business in this country can be brought to a stage where this sort of thing may be possible. In view of that circumstance, you will see what a great hardship—I should say torture—it will mean for such businessmen who simply cannot estimate their profit and loss every three months and at the same time they are forced to pay every three months on the basis of their supposed profits during that period. Then, Sir, supposing a man wants to remain on the safe side and wants to make payments, then what is the temptation which you are giving to him. On the contrary, whatever little benefit he has got even that you are going to withdraw because you have already brought in a provision in the Finance Bill by which all these advance payments, compulsory as they are, will not be treated as business advance but as investments for the purpose of calculating the capital during the chargeable accounting period of the business. So the result of that will be that supposing a firm has earned a profit of ten lakhs of rupees in a year, at the moment it gets the advantage of getting its capital increased during the chargeable accounting period to the extent of five lakhs of rupees. If 10 per cent.—the statutory percentage—is allowed, then the firm gets the benefit of Rs. 50,000 during the chargeable accounting period. But by the new amendment, which you have already embodied in the Finance Bill, you have prevented the firm from getting any advantage of that profit. In view of that you cannot expect any firm to come forward, make the extra payments to you without getting any advantage and borrow at higher rate just to pay you, and in case it does not do so, a sword is always hanging on its head, namely, at the end of the year it will be subjected to the penalty provided in section 26-A. I have heard that the Assessing Officers will give due regard and there will be administrative instructions to the effect that where there are genuine reasons the penal section should not be applied. I know by my own experience what is the net result of these administrative orders and

to what extent specially the Indian assesseees are being benefitted by that. I may point out that if you take the example of advanced countries like England, America and Canada, it simply does not apply in the case of Indian assesseees at all. In those countries what is the percentage of assesseees whose accounts are invariably disbelieved and books examined, and what is the percentage of such assesseees in India? I think it bears absolutely no comparison. Why is it so? Because your department entertains a sort of doubt against the Indian assesseees and whether the accounts are right or wrong, whether the accounts are audited or not, whether the record of the assessee is AI, if a new officer comes, or even if the old officer is there, he is not satisfied without harassing the assessee as much as he possibly can. And I may tell you one more fact: Since the work in the Income-tax Department has increased, many new persons have been appointed as Income-tax officers. Many of them are still on probation and they know that their service and future career is dependent on the number of evasion cases they can discover. Therefore they naturally try their best whether there are any loopholes or not—and where there are no loopholes, they try to create them without regard for harassment to the assesseees. It has been said that instructions have been issued by your department to the income-tax people telling them that they should assess on the basis of their own findings, disregarding the explanation of assessee, and it is for the assessee to go and make an appeal if he is not satisfied with that assessment. I do not know how far this policy persists, but that was the policy at least a year ago.

Then comes the question of relief in appeals. I think the Honourable the Finance Member is aware that the Appellate Assistant Commissioners are still under the Central Board of Revenue. The result is that every . . .

The Honourable Sir Jeremy Raisman: This is not relevant to the Bill before this House? Sir, he is discussing the general Appellate provisions under the Act.

Mr. R. R. Gupta: Sir, I am pointing out the effects of this provision and to show to what further harassment the assesseees will be put if this provision is carried through. I have to point that out. Otherwise how can I establish my case. Already there is enough of harassment.

The Honourable Sir Jeremy Raisman: That is quite irrelevant.

Mr. Deputy President (Mr. Akhil Chandra Datta): The Honourable Member has put his remarks too far.

Mr. R. R. Gupta: The lot of the Indian assessee is really very difficult. You have left no temptation for him to deposit more money beyond the proportion of his income. At the same time if he does not do so you have left no alternative for him because he cannot pay on the basis of his last assessment. I have, besides, explained the amount of extra work it will involve on the department. I have also said that it is simply impracticable in the case of commercial and business houses to assess their income every three months in spite of their best endeavours. Therefore, Sir, I hope that the Honourable the Finance Member will reconsider clause 5 which deals with pay-as-you-go provision.

I will point out, Sir, that in case the Finance Member thinks that he cannot withdraw this provision at all, then he will consider bringing forward this provision by means of an Ordinance instead of making it a part of the Act, because in that case it will be possible for us, when we are able to prove by actual working of the provision that it is impracticable and impossible to get something done by him. But if it is made a part of the Income-tax Act, then he knows how difficult it will be to change the provisions of the Act. So far as the non-official Members are concerned, if after one year's working we find that this clause operates very much against the interests of the general assessee, even then we cannot ask for any relief, because we cannot bring in any amendments without the consent of the Government. Persistent attempts have been made for the normal channels of trade of those engaged in businesses for hundreds of years to be taken away from their hands. The position of these people should not be made impossible so that no other alternative could be left

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for them but to close down their business. If that is the idea of the Honourable the Finance Member, then the best thing for him to do is to bring in a provision to appropriate all private enterprise.

Mr. Deputy President (Mr. Akhil Chandra Datta): These remarks are wide off the mark.

Mr. B. B. Gupta: I was going to say that the effect of this provision will be that no alternative will be left for the honest assesses to continue their business but to close down. This measure should be considered from that point of view.

Dr. Sir Zia Uddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): After the departure of Mr. Chambers from this country, this is the first speech that I have heard on the details of the Income-tax Bill. My friend showed a very thorough knowledge which only a person who is an expert in evading income-tax or who fights for others who evade income-tax, can deliver. I was interested to hear his speech because I know from personal experience, that in spite of reading the Income-tax Act at least fifteen times when it was previously before the House, and in spite of taking lessons from Mr. Chambers, I cannot now fill up my own income-tax forms.

There is one little point which I should like to mention. Those who are working with the Army and moving about in jungles from place to place, cannot fill up all those forms in the manner required. When this point was brought to my notice, I said that the best authority to deal with this was Sir John Sheehy, to whom all these grievances will be brought.

Another point is the limit of the income-tax. Though my friend may say that I am out of gear in this regard, still I think it is desirable that I should say a few words on it when opportunities are not available to discuss it on another occasion. When you have a limit we have one method of determining it. How far is it possible to collect it? Is the time spent in realising the money compatible with the amount of collection? In these days I think there is a scientific method. The Government have now determined what is the limit on which dearness allowance should be given. So I think the lower limit of the taxation should be fixed.

The Honourable Sir Sultan Ahmed (Leader of the House): What has that to do with this?

Dr. Sir Zia Uddin Ahmad: I have said that I am out of gear. The opportunity was denied to me.

Mr. Deputy President (Mr. Akhil Chandra Datta): Because you had no other opportunity that does not make your remarks relevant now.

Dr. Sir Zia Uddin Ahmad: I will finish my sentence. There is a scientific way of doing it, still it is not right that we should give dearness allowance with one hand and take it away with the other hand. That is really a matter of plus and minus!

The next thing is that next year you should be ready to impose an excess dividends tax. It is missing in this country. Unfortunately, it is too late now for the year 1945!

Mr. Deputy President (Mr. Akhil Chandra Datta): This has got nothing to do with all that.

The Honourable Sir Jeremy Raisman: I must admit to a feeling of some surprise at the attitude of the Leader of the European Group on this measure. He not only had an opportunity of speaking on this Bill at the stage when it was referred to a Select Committee, but he also had the advantage of partaking in the deliberations of that Committee, and I cannot understand how he has suddenly discovered a large number of serious objections to a measure which at an earlier stage he seemed to be entirely supporting. I must admit that I do not enjoy that kind of suppleness and I do like to know exactly where I stand.

Sir Henry Richardson: May I just explain to the Honourable the Finance Member that I quite appreciate the embarrassment I may have caused him,

but I was also caused embarrassment when the Honourable Member called his Select Committee very early and my constituent's opinions were handed to me after the Select Committee had started.

The Honourable Sir Jeremy Raisman: The Bill had been before his constituents for many days before the Select Committee met. As far as I remember it was . . .

An Honourable Member: Ten days.

The Honourable Sir Jeremy Raisman: In any case I have a much more serious grievance against my Honourable friend, against Sir Cowasjee Jehangir and various other representatives of the capitalist classes
4 P.M. of this country. They will realise that they were treated with great consideration. This Finance Bill could easily have been much more severe in its taxation proposals. It was only possible for it to be a moderate measure because it contained this provision for immobilising a certain amount of income. If it were not for that, the proposals which were put before the country would certainly not have been adequate to the present situation. My Honourable friends who quite happily acquiesced in the Finance Bill so far as it went, are finding themselves uncomfortable in relation to this measure. Surely it is obvious that if no action of this kind were to be taken at the present time then the scope of the new taxation would be entirely inadequate.

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

I myself would say that if you do not introduce a pay-as-you-earn measure at the present moment then the income-tax and super-tax are due to be stepped up very drastically. This is an essential part of the measures for dealing with the present financial situation. This on the whole provides the business community with what I can only call a soft option, and for that reason, I understood that the reception in the country of the proposals as a whole was favourable because it was recognised that the object which I had in view, the anti-inflationary effect, was being achieved by measures which caused the least hardship to the commercial community. I challenge my Honourable friends to contest that by reference to the great mass of comment which has been made on the Budget since it was introduced in this House. We all know that the Finance Bill was rejected, we also know that it was rejected on primarily political grounds. I do not want to reopen that matter, but if the total volume of comment that was made in this country after the introduction of the Budget is surveyed I claim that there have been very few years in which so little adverse criticism has been encountered. . .

Mr. T. T. Krishnamachari: Other preoccupations.

The Honourable Sir Jeremy Raisman: Other preoccupations—yes, making more money, making money so fast that they had not even the time to read the Budget speech.

I will take the first objection of my Honourable friend, Sir Henry Richardson, and I trust that he will agree that I have some reason for receiving his remarks with some degree of warmth. I will take his first objection. He desires an assurance that this is a purely temporary measure, and in particular, he thinks it ought to have been in the Finance Bill itself. On the best consideration which I could give to this matter, I came to the conclusion that the only suitable way of carrying out a measure of this kind was by way of amendment to the Income-tax Act. I do not know if it could be done, whether technically it could be carried out by a clause in the Finance Bill. As regards the policy or the intention I must admit that my own object was to deal with the present situation. I am preoccupied with the serious problems arising out of the immediate situation. My object was to devise a counter inflationary measure. What happens? Supposing that we have the measure only for one year, supposing it does immobilise or bring in, shall we say for the sake of argument, Rs. 50 crores, can you argue that in 12 months from now you could safely do the exact opposite and release Rs. 50 crores more than would otherwise be the case? Surely, it depends on the state of affairs, on the financial

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and currency position at the time. I agree that a time may come when you may have a recession, you may have deflationary forces at work, you may even be faced with the danger of a deflationary crisis. At a time like that you may think it desirable to counteract this measure and to do the exact opposite, that is to say, to refrain at that time from collecting the tax due for the year or to refrain from collecting a part of it. You might actually take a system of this kind off by various percentages. You could get back to the old system in the course of 2, 3 or 4 years, and you could in the process of doing that be releasing what are called reflationary influences to counteract the deflationary tendencies which might be setting in at the end of a business cycle. To that extent it may be said that this measure is temporary, but it cannot be said to be temporary in the sense of only being conceived for a single year. I think I have made it clear. You could not reverse this process, certainly not in the middle of the war, and I do not think you could reverse it during the period of the immediate post-war boom, but you might reverse it at a stage at which recession has set in.

Sir Cowasjee Jehangir: Am I to understand the Honourable Member to say that this is a temporary measure for as long as he considers it necessary in the interests of the country?

The Honourable Sir Jeremy Raisman: That is exactly the case.

Sir Cowasjee Jehangir: That he will move an amendment to the Act as soon as he finds it necessary to do so?

The Honourable Sir Jeremy Raisman: I have not gone on to say that, because it may be myself or my successor,—I think it would more likely be in the time of my successor,—would find it desirable in the interests of the country to reverse this process. . .

Mr. T. T. Krishnamachari: Or make it a permanent measure.

The Honourable Sir Jeremy Raisman: It is arguable that it may be of permanent advantage to the income-tax system. I did not assume that at the time when I introduced this measure. I admit I did not myself conceive it as a permanent measure, but there are arguments in favour of that, and precisely for the reason that Sir Cowasjee Jehangir mentioned. He said, you may find in two or three years time—you may find that peoples' profits and incomes are dropping sharply. He suggested that a system of this kind might be all right during a period of rising or stable incomes, but it would be found unsuitable in a period when incomes were falling sharply. But it may be argued that precisely because of that type of situation, you ought to have a system of concurrent assessment and for this reason. Human nature being what it is, large numbers of business men, at a time when their profits are falling, will disburse not only the income which they made in the previous year but also the Government share of that income, namely, the tax. Both from the point of view of obtaining the Government revenue and from the point of view of safeguarding the individual against his own improvidence, it is arguable that you should have, as nearly as possible, a concurrent system of assessment, just as you have in the case of salaries. The position is quite simple. A man who made five lakhs last year gets into trouble and he does not make much this year but he made five lakhs last year and he owes Government tax on that 5 lakhs.

Sir Cowasjee Jehangir: Who denies that?

The Honourable Sir Jeremy Raisman: That is the point. If you had a system whereby he paid the greater part of the tax on those five lakhs as and when he made the money, then you get the tax and you save him from being caught with the blacking off his boots in the following year.

Sir Cowasjee Jehangir: If you are doing that, it must be done on estimates.

The Honourable Sir Jeremy Raisman: I am merely talking about the advantages from the permanent point of view, the advantages of a permanent system or scheme of this kind. I think it is arguable that it can be supported on permanent grounds, although I admit that I did not so conceive it. I consi-

der that I have got sufficient problems to deal with at the present time to be absolved from the necessity of legislating for all time. I have got quite enough on my plate for the time being and I don't want to import any further considerations than are necessary.

Now, the second argument was that these deposits will reduce *pro tanto* the volume of Government borrowing. Well, I admit that there is a certain amount of force in that. At the same time I think it can be easily exaggerated. My own feeling is that the greater part of investment now taking place, certainly in our medium and longer term loans, are investments of an institutional nature and that they are investments for some years. I do not think that this particular form of deposit will appreciably affect the regular flow of investments in the money market.

Sir Cowasjee Jehangir: Does the Honourable Member realise that the banks which are lending Government money may well cease doing so, because they will have to lend industrial and commercial concerns.

The Honourable Sir Jeremy Raisman: I know that it can be argued. At the same time, there is evidence that there is a great deal more loose money about than is necessary and my object is to tighten that as much as possible. It is true that to the extent to which it is successful there will be a certain number of marginal cases who may be driven to the banks but that does not prove that the general anti-inflationary effect is not taking place. On the contrary, it proves that it is.

Sir Henry Richardson objected to this measure because it would do nothing to bring in those already escaping assessment.

Sir Henry Richardson: I did not object to it. I merely said it was limited in degree.

The Honourable Sir Jeremy Raisman: This measure is only meant to deal with those who come within the cognizance, so to speak, of the Income-tax Department but we are taking steps to extend that cognizance as far as possible and in particular in the case of contractors which he has mentioned. We have devised a system for checking up on contractors who have contracts with the Supply Department and other Departments of Government. I entirely agree with him that we should simultaneously continue to pursue by every means in our power all methods of countering inflation and that we should endeavour to chase up the dishonest evader. There is no doubt that we have reached a stage at which honest assesses may be said to suffer an additional degree of hardship because of the extent to which evasion takes place but I should like to see that resulting in the formation of a public opinion in their own interest amongst assesses, in the formation of a public opinion which will make things so hot for the evader and will assist the department to such an extent that evasion will gradually decline. What we find is that even the honest assessee is not prepared to carry his own, shall I say, honesty to the point of revealing facts which are within his knowledge regarding dishonest assesses. If people would only do that, they would help . . .

Sir Cowasjee Jehangir: If you cannot catch them, how can we?

The Honourable Sir Jeremy Raisman: It happens to us, when dealing with actual items in a man's accounts, that we find he has paid large sums to individuals who are not within our ken and if we say to him 'Well, unless we can verify things of that kind, they will be disallowed', it not infrequently happens that the man says 'I cannot tell you the recipient's name. You may disallow it.' He may be a dishonest man. Take the black marketeer. We have had people agreeing to have their expenditure scaled down rather than reveal to whom they paid these exorbitant sums. Those may be genuine items. They frequently are. So, they not only pay the additional amount to the black marketeer but they have also to pay the tax on that amount. But they will go to that length rather than assist the department to run to earth the black marketeer. The only cure for that sort of thing is the formation of a healthy public opinion on the subject. I remember that in England there was a case (and this is an example of the pitch that can be reached in a country which has a highly

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developed public consciousness on the matter)—I remember that in England a few years ago a millionaire was discovered by the department to have defrauded them and he was prosecuted. He offered to pay the composition fee of so many times the tax but the Board of Inland Revenue were not going to be bought off by money. They wanted to make an example of him and they prosecuted him in the Criminal Court. When the trial came on, this man was exceedingly ill. He was virtually on his death bed and it was represented to the Court that the Board of Inland Revenue were prepared now to drop the prosecution and to accept the penalty instead but the Magistrate said 'No'. He insisted on carrying through the case even against the wishes now of the Inland Revenue and inflicting a sentence of imprisonment on the dying man.

Sir Cowasjee Jehangir: And the man died and the Government lost their money.

The Honourable Sir Jeremy Raisman: I have no doubt that the department was thinking of the money. I may say that they got the tax and that the case had a very salutary effect none the less.

An Honourable Member: That is what we want here.

Mr. T. T. Krishnamachari: Were not arrangements made to transfer the summons to the other Court?

The Honourable Sir Jeremy Raisman: Now, there is one other point that Sir Henry Richardson dealt with as did also some other speakers and that was the question of individual cases of genuine hardship. This matter was raised in the Select Committee and, as I said, we were faced by the difficulty that any provision in the Bill which allotted discretion would lead to an enormous number of applications that the provisions of this measure should be relaxed in favour of individuals. But I did undertake in the Select Committee to give an assurance in this House that I would endeavour by executive instructions to make provision for dealing with cases of genuine hardship. I cannot at this moment say exactly what form those instructions will take. It is a matter which will require careful consideration. But I can say that I am prepared to endeavour to meet the cases of genuine hardship by the issue of adequate instructions.

A good deal has been said about the difficulties and the impracticability of this measure. I can only say that it has received a good deal of careful consideration and we do not think that it will impose an impossible burden either on the Department or on the assessee. In particular, as I emphasised on the last occasion, when this Bill was before the House, the assessee always has the option of repeating his last assessment. Now, it has been argued that he may find that his income is declining, but what of that? If he repeats the last assessment, all that happens is that he makes an investment of a certain amount with Government on which he receives an interest of 2 per cent. I cannot see that that is a very great hardship.

Sir Cowasjee Jehangir: But he may have to borrow at a rate which is much more than 2 per cent.

The Honourable Sir Jeremy Raisman: If he is in that position, I can only say that he has already over-traded. The money which he is now being required to deposit is money which ought in a very short time to be available to be paid over, and if he is running his business with that money, then there is something wrong anyway.

Mr. R. R. Gupta: May I draw the attention of the Honourable Member to the fact that in commercial markets, which is called the Bazaar, the statutory percentage of interest is fixed at the rate of 10 annas per cent. per month? It comes to 7½ per cent. and it cannot be altered. But the Government will give us only 2 per cent., whereas general assessee gets from the bank about at 4 or 5 per cent.

The Honourable Sir Jeremy Raisman: I would like to draw the attention of the Honourable Member to the fact that there is no reason why anybody

should make an interest of $7\frac{1}{4}$ per cent. on money which is already due to the Government.

Mr. B. B. Gupta: That has been the prevailing system for hundreds of years.

The Honourable Sir Jeremy Raisman: It may have gone on for years, but the ordinary and prudent method is that the sum required for taxation should be set aside at a reasonably early stage.

Mr. T. T. Krishnamachari: Not before the end of the year.

The Honourable Sir Jeremy Raisman: Now, my Honourable friend, Mr. Gupta, had got an excellent alternative. He said all you have to do is to induce people to make these deposits. You pay them 3 per cent. on the money and you allow it to be treated capital employed in the business, on which we allow 8 per cent. So, his modest claim is to make an offer to people of 11 per cent. for one year, and then probably some sporting gentlemen will come forward and meet your wishes. Well, Sir, we are not yet in the position of having to offer 11 per cent. for one year's money. I was also somewhat surprised to find that the same speaker advocated this should be done by Ordinance and not by Legislation. That is really an unusual request to find in this House.

Mr. B. B. Gupta: But you have already done that in the case of the Excess Profits Tax.

The Honourable Sir Jeremy Raisman: I must admit that I am prepared to endeavour to deal with an emergent situation by the means he suggests and if I found that a measure of this kind was resulting in undesirable effects, I would not even exclude the possibility of amendment by Ordinance in order to deal with the situation of that kind. But I do not think it would have been appropriate to proceed by Ordinance in relation to a measure which was part of the ordinary financial provisions of the Budget.

A good deal has been said about arrears. Now, Sir, this factor is greatly exaggerated. I admit that there are numbers of arrears and that in some cases they go back for several years, but I think it would be found that these arrear cases contain a disproportionately large number of cases of loss. The Department, when it is overworked, is disposed to take up first cases which yield a positive result and although the number of arrear cases may look large, the proportion of those in which there are large sums to be collected, I think, will be found to be comparatively small. There are cases, of course, where points are disputed and there are matters in dispute which have to be settled and which sometimes take a long time. Nothing that you can do will eliminate those cases. In fact, the more you elaborate your Income-tax Act the more likely you make it that cases of dispute will exist, but I do not see how the Department can be blamed for that. We do endeavour and we are making special efforts to clear up arrears as soon as possible. Particularly, my Honourable friend said that in Great Britain where they have a very competent and highly experienced Department they have not adopted this. That reminds me that the position in regard to arrears in Great Britain is I believe, far worse than it is in India, so that, in spite of our inadequate staff and our less experienced staff, we manage somehow to put up a better record in that respect than the most expert and the most experienced Inland Revenue Department in the world.

Now, Sir, I think I have covered all the points and I have no doubt that more will have to be said when we come to the clauses.

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

"That the Bill further to amend the Indian Income-tax Act, 1922, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill.

Mr. B. B. Gupta: Sir, I move:

"That clause 3 of the Bill be omitted."

[Mr. R. R. Gupta.]

My point in moving this amendment is not actually to press for the deletion of this clause but to clarify certain ambiguities which have come to my notice. In the Statement of Objects and Reasons it is said that clause 3—section 14 (1)—is intended to grant an injunction to an assessee in respect of a sum received by him as a member of a Hindu undivided family where such sum is included in the income of the family. While in the other sentence, it says,—

“causes have however arisen where a sum received by a member has been held to be exempt under this sub-section, even though it does not form part of the income of the family. The amendment provides for its taxation in the hands of the recipient if it is not taxable in the hands of the family”.

My submission is that suppose there is a case of a family in which one person is a beneficiary out of the income of the family and that income is mainly derived out of agricultural property, it is not taxable. Will that income in the hands of the beneficiary be taxable under this amendment or not?

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

“That clause 3 of the Bill be omitted.”

Sir John Sheehy: The amendment does not affect that position. If the income is agricultural, it is exempt under other provisions of this Act and it is not affected by this amendment.

Mr. R. R. Gupta: Then, I beg leave to withdraw the amendment.

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

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

“That clause 3 stand part of the Bill.”

The motion was adopted.

Clause 3 was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim): Clause 4:

Sir John Sheehy: Sir, I move:

“That in clause 4 of the Bill for the proposed sub-section (2A) the following be substituted:

“(2A) Nothing in sub-section (1) or sub-section (2) shall apply to so much of any premium or other payment made on a policy other than a contract for a deferred annuity as is in excess of ten per cent. of the actual capital sum assured; and in calculating any such capital sum no account shall be taken of the value of any premiums agreed to be returned or of any benefit by way of bonus or otherwise which is to be or may be received either before or after death either by the person paying the premium or by any other person and which is not the sum actually assured’.”

Sir, when we inserted this clause 4 in the Bill, our intention was to restrict the exemption given by sub-section (1) and sub-section (2) of section 15. These sub-sections have in terms given exemption to life insurances on the life of the assessee or on the life of the wife or husband of the assessee. The clause, as it stands, however, has succeeded only in restricting the exemption to cases where there is a capital sum assured at death. But it has since been brought to our notice that there is a very wide range of policies which provides for a capital sum on survival, not on death and the provisions of the first two sub-sections which we want to restrict apply to these policies. If we do not make this clause apply to these policies, the whole of our intention is defeated and these short term policies which we are trying to cater for will have escaped from the net. The amendment, therefore, is designed to apply the restriction to all the policies which come under sub-section (1) and sub-section (2) and the chief change which is made is the omission of the words “capital sum on death”. Sir, I move.

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

“That in clause 4 of the Bill for the proposed sub-section (2A) the following be substituted:

“(2A) Nothing in sub-section (1) or sub-section (2) shall apply to so much of any premium or other payment made on a policy other than a contract for a deferred annuity as is in excess of ten per cent. of the actual capital sum assured; and in calculating any such capital sum no account shall be taken of the value of any premiums agreed to be returned or of any benefit by way of bonus or otherwise which is to be or may be received either before or after death either by the person paying the premium or by any other person and which is not the sum actually assured’.”

The motion was adopted.

Mr. R. R. Gupta: Sir, I move:

"That in clause 4 of the Bill, in the proposed sub-section (2A) for the word 'ten' occurring in line three the words 'twelve and a half' be substituted."

Sir, my object in proposing this amendment is this. If you fix the percentage at 10 per cent, then in that case, many of the genuine policy holders who have to pay on their ten years endowment policy premium which works out to about 11½ per cent., even those assured persons will be affected by this. As a matter of fact, you wanted to bring in this clause to prevent people from taking advantage of evasion of income-tax. But I may point out that perhaps the Honourable the Finance Member is aware that those policies are taken for three years or five years. These are not policies which are taken for ten or 15 years or 20 years. Therefore, by the present amendment which the Honourable Member has brought, he will simply affect the genuine assessee in this respect and make their position worse. In this connection, I will read out the note of dissent given by my Honourable friend, Mr. Krishnamachari, which clarifies the position.

Mr. President (The Honourable Sir Abdur Rahim): I think the Honourable Member need not read out the Minute of Dissent. The note is there. The Honourable Member can deal with the whole argument.

Mr. R. R. Gupta: I simply wanted to point out from that that he has collected figures of some of the insurance companies premia and he quotes the rate for a ten year endowment on life at present aged 45. He says:

"The rates for a ten year endowment on the life of a person aged 45 was examined and it was found that the rate offered by the Oriental Life office for a ten year endowment with profits was about Rs. 112-5-0. In point of fact, if the rates of the ten leading Indian companies were examined it would vary from Rs. 112-5-0 to Rs. 116. Logically therefore, the rates should be fixed at 11.5 per cent. or at least at 11 per cent."

Well, Sir, I have proposed that the rate should be fixed at 12½ per cent. and I hope the Honourable the Finance Member will agree to my simple amendment.

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

"That in clause 4 of the Bill, in the proposed sub-section (2A) for the word 'ten' occurring in line three the words 'twelve and a half' be substituted."

Mr. T. T. Krishnamachari: Mr. President, I should like to say a few words in support of this amendment. As my Honourable friend the Mover mentioned. I have stated my reasons why I dissented from the Select Committee report on this matter. Sir, emphasis has been laid on one particular aspect of insurance and I think the amendment which has been brought forward by my Honourable friend Sir John Sheehy and which has been approved by the House also lends support to it. Where an insurance policy is a *bona fide* insurance on life, the assessee is entitled to the benefit of Income-tax rebate. It cannot be stated that in a ten-year endowment policy, there is not a definite cover against death. This is an insurance on life. You cannot say that it is an investment because I do not think it lies in the mouth of the Honourable the Finance Member to say that a man who takes out an insurance at the age of 45 is going to live up to 55. The first thing that prompts him to take up an insurance policy is certainly the uncertainty of life. Secondly, if he happens to live, he knows he is going to get the benefit of the insurance.

Mr. President (The Honourable Sir Abdur Rahim): My attention has been drawn to the fact that the original clause 4 has been replaced by the amendment of Sir John Sheehy and adopted by the House. That being so, this amendment is out of order.

Mr. T. T. Krishnamachari: The word "ten" appears also in that amendment which the House has adopted. The rate is not varied at all; only the wording has been varied.

Mr. President (The Honourable Sir Abdur Rahim): Very well, I think a verbal amendment can be made by putting in "as amended".

Mr. T. T. Krishnamachari: The principle that Government seek to enumerate here is that this benefit should be confined to *bona fide* life insurance policies. I maintain, Sir, that in the case of a ten-year endowment it is really the uncertainty of life that prompts a man to take up an insurance. So, I do not think

[Mr. T. T. Krishnamachari.]

it is right to say that in the case of a ten-year endowment policy the investment idea predominates and not the idea of risk involved therein. I have now before me a few more details than I had at the time of the Select Committee. I am told that the rates for a man of 45 who takes up a ten-year endowment policy varies between various insurance companies from about Rs. 108 to Rs. 120. And apart from that there is no particular sanctity in taking up as the basis the life of a man of 45. In this country happily they do still insure a man up to the age of 60. A man can insure at the age of 50 for ten years in which case the rate of premium will be higher than if we take an arbitrary rate for the purpose of arriving at some settlement, and there is no particular sanctity with regard to this age of 45. That being so, if we particularly limit the benefit that people have hitherto been getting, there is no use going the whole hog and taking a round figure of 10 per cent. What is the sanctity in this 10 per cent. and why should it not be 12½ per cent.? How much will Government lose if the rate is 12½ per cent. instead of 10? Is my Honourable friend in a position to say that it would amount to a loss of revenue of about 50 lakhs a year? I doubt it; and I do feel that *bona fide* insurance covering a period of ten years, whether it be in the case of a man of 45 or 50, should be completely eliminated from the scope of this amendment. And there is no use whatever in relating conditions in this country with what is obtaining in England. There the expectation of life is much higher and people can take insurances even at the age of 60. So, I feel that this figure of 10 has no merit about it. It is not related to facts and it is arbitrary although it might sound good because it is 10 and not 11 or 12½. In this case you are seeking to restrict the benefit you have hitherto been giving to assessees which has implications of a very wide nature. I want the Government to realise it. The benefits that assessees now enjoy are of a very wide nature and you are seeking to restrict them all of a sudden. There is no limitation to the retrospective effect that his amendment will have as insurance contracts already in force will be affected, and all people who are committed to contracts have got to lose the rebate that they were getting. In the circumstances, where it is possible, a margin has to be allowed consistent with the prospect of any loss to Government by way of revenue being avoided. It has not been made out that Government would lose any heavy amount by agreeing to 12½ instead of 10. Sir, I, therefore, support the amendment.

The Honourable Sir Jeremy Raisman: Sir, I must oppose this amendment. I am afraid my Honourable friend has exposed the weakness of his case by asking what it will cost Government. I admit that it may not cost very much in terms of money but it costs a good deal in terms of principle. After all what does an exemption like this amount to? It amounts to nothing less than a subsidy by Government to certain forms of insurance. Now, what we are prepared to subsidise is life insurance because we think it is good for them and in the interests of the State that people should insure their lives. We also think that they should make a certain amount of provision for their dependants in other ways. Now, when we included the figure of 7 per cent. we were trying to reduce the subsidy to the pure life insurance element. In the Select Committee we discussed this matter and everybody was disposed to agree that if we went to 10 per cent. we should have covered all reasonable argument on the matter. What we are now left with is a haggle about another 1 or 2½ per cent. There is this question of principle. Fundamentally there is no reason why Government should subsidise by means of an exemption from income-tax certain forms of investment. Why let off a man who does it by way of an insurance policy when you charge income-tax on the interest earned by other comparable forms of investment? It is a point of principle; and also we have to stop somewhere. We have made a concession to the point of view represented by my Honourable friend. We have made what we consider a generous concession by going as far as 10 per cent. and I do not think it is reasonable to expect us to go any further, and we are not prepared to go any further.

The figures, which we have show that the concession in the form already given covers all the cases which it is justifiable to cover.

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

"That in clause 4 of the Bill, in sub-section (2A) as amended for the word 'ten' occurring in line three the words 'twelve and a half' be substituted."

The motion was negatived.

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

"That clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4, as amended, was added to the Bill.

Mr. R. R. Gupta: Sir, I move:

"That in clause 5 of the Bill, in part (a) of sub-section (1) of the proposed section 18A for the word 'quarterly' occurring in line 4 the word 'half-yearly' be substituted."

Sir, in this respect I think all the important points have been already told by me before. This amendment is designed only to secure as much relief as possible in view of the attitude which the Honourable the Finance Member has adopted on this matter. As a matter of fact, it will be absolutely immaterial whether the money is deposited in three months or six months so far as its effect on inflation is concerned, I do not think it will have much effect. After all, the Finance Member expects to demobilize about 50 crores of rupees during the year. That means that for the duration of six months about 25 crores will be immobilized. If the deposit is made once in six months instead of three, the only effect will be that about 12 crores of rupees will remain more in circulation for three months. I do not think that it is going to affect inflation to any great extent or it is going to act as an anti-inflationary measure. At the same time this will reduce the harassment and hardship to exactly half, because instead of three months, every six months the department as well as the assessee have to undergo all those difficulties which are bound to come as a result of this provision. Therefore, Sir, I move my amendment.

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

"That in clause 5 of the Bill, in part (a) of sub-section (1) of the proposed section 18A for the word 'quarterly' occurring in line 4 the word 'half-yearly' be substituted."

Mr. T. T. Krishnamachari: Mr. President, I would like to support the amendment moved by my Honourable friend, and in doing so I would like to emphasise one aspect of the speech of the Honourable the Finance Member in commending the Report of the Select Committee to this House. He discounted, though in a veiled manner, the possibility of this section 18A being a temporary affair as though he felt inclined that way, his successor might possibly make it a permanent feature of the Income-tax structure by an act of omission rather than by one of commission. Having that in view and also the fact that half-yearly payments of income-tax is the system that is in vogue in the country which we seek to imitate in every form possible, I support the amendment.

Now, Sir, because of the fact that this provision is a new one, one which people have got to be trained into obeying, the various provisions being rather new and complicated, it might be better for the first year at any rate that the tax should be collected half-yearly. My Honourable friend would probably say, 'Well, it is an anti-inflationary measure; I would like to mop up as much money as possible every three months'. I am afraid this bogey of inflation does not frighten me quite as much as it does the Honourable the Finance Member just now. He would not be able to tell us precisely the difference it would make in the anti-inflationary effect it will have generally if payments were made quarterly, half-yearly or yearly. I, therefore, suggest that at any rate for the first year of its operation it is an amendment which the Government could very gracefully accept. There is an indication of a certain amount of obstinacy on the part of the Government—and all Governments are obstinate—and it is no use appealing to the good sense of the Honourable the Finance Member, but it has been emphasised here on the floor of this House by people belonging to various groups—people like Sir Henry Richardson and my Honourable friend, Sir Cowasjee—the general fears that they entertain in regard to this particular section, and, therefore, some concession like that suggested by

[Mr. T. T. Krishnamachari.]

this amendment will be very well justified. I, therefore, commend the amendment to my Honourable friend the Finance Member.

The Honourable Sir Jeremy Raisman: I am afraid I do not regard this as a little concession. I would be very glad to disprove my Honourable friend's remarks about the flinty obstinacy of the Government, but since this is a measure which is intended to bring in money in advance of the date on which it would have come in in the ordinary course, it is important that this money should come in, as far as possible, in a steady flow throughout the year. My Honourable friend himself once drew attention to the pernicious effects caused by the outflow of currency. Well, it is surely important that if you can arrest or mitigate that outflow by causing Government dues to be paid in more regularly . . .

Mr. T. T. Krishnamachari: They are not dues; they are only deposits.

The Honourable Sir Jeremy Raisman: They will become dues under this law. They are deposits of course, but at any rate they are money and in so far as you can arrange for them to be paid in regularly throughout the year, you may avoid some of the undoubted perils or disadvantages of the state of affairs which my Honourable friend depicted so vigorously in a debate a few months ago.

Now, Sir, in so far as the amendment is designed to cater for a certain class of hardship, we ourselves are putting down an amendment which will meet that case and we shall create by our own amendment a state of affairs in which nobody will have to pay tax in relation to any profits until at least six months have elapsed from the beginning of the period in which those profits were made. So that I consider that our amendment without doing so much damage to the object of the Bill, will also cover the point urged by the Honourable Member. Sir, I oppose the amendment.

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

"That in clause 5 of the Bill, in part (a) of sub-section (1) of the proposed section 18A for the word 'quarterly' occurring in line 4 the word 'half-yearly' be substituted."

The motion was negatived.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 30th March, 1944.