

COUNCIL OF STATE DEBATES

Monday, 18th, February, 1946

Vol. I—No. 1

OFFICIAL REPORT



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THE
COUNCIL OF STATE DEBATES
**OFFICIAL REPORT OF THE NINETEENTH SESSION OF THE FOURTH
COUNCIL OF STATE**

VOLUME I—1946

COUNCIL OF STATE

Monday, 18th February, 1946

The council met in the Council Chamber of the Council House in New Delhi at Eleven of the Clock, being the First Day of the Nineteenth Session of the Fourth Council of State, pursuant to section 63D(2) of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935. The Honourable the President (the Honourable Sir Maneckji Byramji Dadabhoy, K.C.S.I., K.C.I.E., LL.D., Barrister-at-Law), was in the Chair.

MEMBERS SWORN

The Hon. Dr. Narayan Bhaskar Khare (Commonwealth Relations Member).

The Hon. Sir Arthur Griffin (Chief Commissioner of Railways).

The Hon. Rai Bahadur Satyendra Kumar Das (East Bengal: Non-Muhammadan).

The Hon. Mr. Surput Sing (West Bengal: Non-Muhammadan).

Flight-Lieutenant the Hon. Rup Chand (Punjab: Non-Muhammadan).

The Hon. Mr. Alfred Ernest Porter (Home Secretary).

The Hon. Mr. William Walter Murray Yeats (Industries and Supplies Secretary).

Lieutenant-General the Hon. Sir Thomas Jacomb Hutton (Planning and Development Secretary).

QUESTIONS AND ANSWERS

RECRUITMENT OF INDIAN PRISONERS OF WAR BY AXIS POWERS

1. THE HON. RAJA YUVERAJ DUTTA SINGH: (a) Will Government make a statement relating to the attempts made by the Germans, the Italians and the Japanese to recruit a considerable number of Indian prisoners of war and other Indian civilians to fight on their side, the failure for the most part of this Axis scheme, and the surrender in thousands of such Indians at the first available opportunity?

(b) How many such Indians are suspected to have been so seduced or coerced by the Germans, the Italians and the Japanese?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: (a) and (b) I lay a statement on the table.

Statement

(a) (1). In 1941, the Italians commenced their attempts to suborn Indian troops captured in North Africa. They used a mixture of threat and inducement, mainly offers of better living conditions. The few who responded were taken to a camp outside Rome, where, in the beginning of 1942, the Italians formed a unit known as the "Centro Militare, India". This unit's maximum strength was 400. It was given military training, but was ineffective and mutinied as soon as the Italians proposed to send the Unit to fight in Africa. It was therefore disbanded in November, 1942; some of its men reverted to prisoner-of-war status; some were sent to Germany to join the Indian Legion. There was a small number of Indian civilians in the "Centro Militare, India"

(a) (2). The German plan to subvert and use Indian Prisoners of War started its operation in early 1941. The Germans used much the same methods as the Italians. Promises made were kept and threats translated into action. Those who rejected the German offer were ill-treated and, deprived of such amenities as Red Cross parcels, while those who responded were given a comfortable life, the Red Cross parcels that should have gone to their companions as well as their own, and free association with German women. The great majority remained loyal to the oaths they had taken. Those who did not were formed into what was at first called the "Free India Legion". This unit was stationed in Germany while under training. It wore German Uniform. All its officers and N.C.Os. were Germans with the exception of a few Indians who had been among the first to join and were given the rank of Lieutenant the highest an Indian ever achieved. Towards the end a few Indians were made junior N.C.Os. Early in 1943 it was incorporated into the Wehrmacht as the 950 Regiment of the Germany Army proper.

The unit received normal military training in Germany, but, as in the case of the "Centro-Militare, India", orders to send it into the line in the spring of 1943 caused trouble. These orders were for two battalions to take over a sector of the coastal defences in the Low Countries, and they resulted in a mutiny which involved a number of the men affected by the proposed move. The mutiny was suppressed, however, and the move was carried out. After several months in the Low Countries the whole 950 Regiment was transferred to the West Coast of France in the neighbourhood of Bordeaux. It stayed there until the general retreat of the Germans from France in the latter part of 1944, when it withdrew with the rest of the German forces. During this retreat across France it incurred the hatred of the French Forces of the Interior on account of the rape and pillage in which men of the Regiment indulged against the civil population. There was a number of engagements with the French Forces of the Interior, who were harassing the German retreat. It is considered likely that fear of what the consequences of their own uncivilised behaviour would be, if they fell into French hands, played its part in deterring men of the Regiment from making any attempt to desert to Allied forces during the retreat.

When the Germans had withdrawn the 950 Regiment across the Rhine it was theoretically absorbed into the Waffen S.S. There was no time however to put these orders into effect. The Regiment took no further part in the fighting, being completely demoralized by circumstances, and at the time of the final collapse of Germany it was idle in a Camp many miles behind the front line, and in a very poor condition generally.

The strength of the 950 Regiment was 2,500—3,000. There were more than 1,600 Indian Prisoners of war in the Western theatre.

(a) (3). The Japanese set to work without delay to subvert the loyalty of the Indian troops captured on the surrender of Singapore. They began their attempts, indeed, while the Malayan campaign was still in progress, materially aided by the early defection of two Indian commissioned officers and by general demoralization attending temporary defeat. One of the two officers, Capt. Mohan Singh of 1/14 Punjab Regiment, was chosen by the Japanese as Commander of the Force they called the "Indian National Army". The birth of this body was announced by the Japanese at a parade of all Indian P.W. in Singapore two days after the surrender and immediate action was taken by Mohan Singh to obtain men for this force. After hesitation, some of the Indian officer prisoners of war joined him, greatly influenced by considerations of personal comfort and ambition. In some cases officers and men were actuated by a desire to escape. The conduct of their officers had effect on a number of the troops, while communal feelings also played their part.

Volunteers, however, were not forthcoming in the numbers required and in order to increase his following Mohan Singh resorted to propaganda and intimidation. These methods swelled the numbers during 1942. In December, 1942, however, Mohan Singh was displaced owing to differences of opinion with the Council of Action of the India Independence League under the Presidency of Mr. Rash Behari Bose, and the organisation was disbanded.

After a few months of consideration the Japanese decided to form another army. On the advice of some of their leading Indian collaborators this force was to be recruited on a more truly voluntary basis, though the element of intimidation was not lacking, since it was made plain that those who did not volunteer would be shipped to the South-West Pacific for labour in conditions ordering on slavery. Despite this threat, a large proportion of those who had ostensibly "Volunteered" for the first I.N.A. refused to rejoin, and many were in fact despatched as labour to various parts of South East Asia. These fresh efforts to re-form resulted in some 15,000—17,000 Indian P.W., out of approximately 57,000, going over to the enemy during 1943. Training on normal military lines was again started, with Japanese officers supervising in a "liaison" capacity. At the same time the Indian civilian community in Japanese-occupied territories was tapped for further recruits. Both propaganda and the impact of economic difficulties were utilized in this recruiting drive. The Japanese-inspired "India Independence League", membership of which alone afforded comparative security of livelihood and immunity from the attentions of the Japanese Police, was the means by which this leverage was applied. Subhas Chandra Bose arrived in Singapore in July 1943 and took over control of the entire Japanese-inspired movement in territories under enemy control. New impetus resulted and recruitment of something over 20,000 Indian civilians had taken place by the beginning of 1945.

The forces thus recruited were first actively employed in the spring of 1944, when elements of one "division" were disposed on the Burma Front, in Arakan and on the Chindwin. The Japanese mistrust of their quality and reliability was demonstrated by their refusal to allow them to operate in independent units, let alone to make them responsible for a sector of their own. Sini parties were sometimes used during this operation as a harassing screen in advance of Japanese troops. Their duty was to attempt to infiltrate behind our forward positions and create confusion.

A small number did so, of whom most were captured or surrendered. On a few occasions mixed I.N.A. and Japanese parties were engaged by British and Indian troops. A little later with the Japanese offensive across the chindwin, the bulk of this same "division" came to notice in a much the same role. Throughout the Manipur campaign, these forces only operated in an independent role once. This was at Palel, where they made an abortive (and to them disastrous) attempt to capture a landing strip.

When the final withdrawal of the Japanese followed their unsuccessful offensive in the summer of 1944 they took their Indian Collaborators with them. Several hundreds, however, deserted and were taken over by our troops. The Japanese withdrew the remainder of this "division" to Pegu in bad shape, for recuperation and re-organisation. During the winter of 1944-45 little contact was made with our troops in the field, although a small number of miscellaneous units was employed by the enemy in forward areas. Early in 1945 when the Allied drive down Burma was well in its stride, and the Japanese retreat began to take on the appearance of a general rout, desertions started again, on a fairly large scale and continued until the capture of Rangoon in April, where between 7,000 and 8,000 troops of the body called the "Indian National Army", including a large number of its officers, surrendered to the Allies on the orders of Subhas Bose. With the final surrender of the Japanese in August 1945, the remainder in South East Asia came into Allied hands. The majority of the military personnel have since been returned to India while the civilians have dispersed to their homes, or have been held temporarily on security grounds.

Like the German and Italian attempts, Japanese efforts to make an effective fighting force out of Indian prisoners of war and the Indian civilian community in South East Asia were in general a failure. They only once operated independently, and were never successful against Regular British or Indian troops.

(b) It is not possible to give any reliable figures of the number of Indians who were seduced or who were coerced by the enemy. The approximate total strengths of the Indian forces employed in these Axis schemes are:—

EUROPE	"Centro Militare, India"	400, of whom all except 7 were P.W.
		(A percentage were later absorbed into the "Indian Legion").
ASIA	"Indian Legion" 2,500-3,000 (950 Regiment)	Almost no civilians.
	"Indian National Army"	43,000 (of whom some 20,000 were P.W.)

RESETTLEMENT, ETC., OF DEMOBILIZED MEMBERS OF THE DEFENCE SERVICES AND DISCHARGED WAR WORKERS

2. THE HON. RAJA YUVERAJ DUTTA SINGH: What is the plan evolved by Government for re-settlement and re-employment in civil life of demobilized members of the Defence Services and discharged war workers?

THE HON. MR. H. C. PRIOR: Full particulars are available in the "Progress Report of the Directorate General of Resettlement and Employment for the period 18th July to 31st December 1945", copies of which are available in the Library of the House.

SMUGGLING OF CLOTH INTO NEPAL

3. THE HON. RAJA YUVERAJ DUTTA SINGH: Is it a fact that cloth worth about two lakhs of rupees was smuggled from Raxaul in Bihar to Nepal, on or about the 28th April, last; and about 10 bales of cloth were removed to Nepal territory from Bairagnia (Bihar)? Will Government state the circumstances and details of this extensive smuggling, and who were responsible for it, together with the steps taken to prevent a recurrence of it?

THE HON. MR. N. R. PILLAI: Government have no information about the alleged cases of smuggling of cloth from Bihar to Nepal, but steps have been taken to eliminate any leakage that may have existed in the past.

THE HON. MR. G. S. MOTILAL: What steps have been taken?

THE HON. MR. N. R. PILLAI: A detailed licensing scheme has now been applied to exports of cloth from India to Nepal. The broad features of the scheme are as follows: In the first place, the issue of licences is now confined to a limited number of reputable firms; secondly only such cloth as is marked "For export only" is allowed to be exported, and thirdly the railway authorities have been instructed not to book consignments of cloth for Nepal frontier stations unless such cloth is covered by an export licence and is marked "For export only".

THE HON. MR. M. THIRUMALA ROW : Have Government been able to locate these smugglers from across the border ?

THE HON. MR. N. R. PILLAI : Well, in the process of selecting suitable exporters the undesirable ones have been eliminated.

POLISH REFUGEES

4. THE HON. RAJA YUVERAJ DUTTA SINGH : Will Government state how many Polish refugees were kept in India and how many of them have been sent back to Poland on the re-construction of their country ?

THE HON. DR. N. B. KHARE : The number of Polish Refugees in India is about 5,000. None of them has so far gone back to Poland. The question of their repatriation to Poland or to other countries where they wish to settle down is at present under the consideration of His Majesty's Government.

THE HON. MR. M. THIRUMALA ROW : Can the Honourable Member give us the amount of money spent by Government on these Polish refugees in India ?

THE HON. DR. N. B. KHARE : I want notice of that question, Sir.

BRITISH EXPORT TRADE RESEARCH ORGANISATION

5. THE HON. RAJA YUVERAJ DUTTA SINGH : Will Government state whether the recently formed British Export Trade Research Organisation (BETRO) for market and consumer research, and trade intelligence service in all overseas markets has established any branch in India ; if so, where ? What is the nature and extent of its activities in this country ?

THE HON. MR. N. R. PILLAI : The British Export Trade Organisation has not established any Branch in India.

The parts of the question do not arise.

UNITED NATIONS CONFERENCE AT SAN FRANCISCO

6. THE HON. RAJA YUVERAJ DUTTA SINGH : Will Government state whom Sir V. T. Krishnamachari was supposed to represent at the United Nations Conference at San Francisco ?

THE HON. SIR MAHOMED USMAN : Sir V. T. Krishnamachari represented India at the United Nations Conference.

ALLIED WAR CRIMES COMMISSION

7. THE HON. RAJA YUVERAJ DUTTA SINGH : Will Government state whether India is represented on the Allied War Crimes Commission ; if so, by whom ? If not, why have Government failed to press the claims of India in this respect ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I would invite the Hon. Member's attention to the reply given on the 17th November 1944 to part (a) and first part of (c) of his question No. 108. The second part of the question does not arise.

THE HON. MR. M. THIRUMALA ROW : I understand His Excellency the Commander-in-Chief referring to an answer given in November 1944 with regard to this particular question. I would like to know whether there was a War Crimes Commission established in November 1944, even before the war was won.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF : I would like to have notice of this question.

USE OF TRANSPORT PLANES FROM INDIA TO REMOVE TRACTORS FROM EGYPT

8. THE HON. RAJA YUVERAJ DUTTA SINGH : Are Government aware that the transport planes from India were concentrated in Cairo, as the instance of the U.N.R.R.A. to fly a large number of tractors from Egypt to Yugoslavia, for the development of agriculture in the latter country ? If so, what is the advantage accruing to India from this operation ?

THE HON. MR. N. R. PILLAI: The answer to the first part is in the negative. The second part does not arise.

DECIMAL SYSTEM OF COINAGE

9. THE HON. RAJA YUVERAJ DUTTA SINGH: Will Government make a statement explaining their post-war proposal for introducing a change in the present coinage system in India on the basis of decimal system as adopted in many other countries, indicating the disadvantages of the present system, and the anticipated advantage of the proposed change? In what countries does the decimal system of coinage prevail?

THE HON. SIR CYRIL JONES: A copy of Finance Department's letter addressed to Provincial Governments which gives the information desired is laid on the table.

A list of countries where the decimal system of coinage prevails is laid on the table.

GOVERNMENT OF INDIA
FINANCE DEPARTMENT

No. F. 2 (76)-F/44.

New Delhi, the 24th April 1945

FROM

K. G. AMBEGAOKAR, ESQUIRE, I.C.S.,
Joint Secretary to the Government of India.

TO

The Financial Secretaries of all Provincial Governments and all Chief Commissioners of Provinces.

SUBJECT.—*Decimalization of the Coinage*

SIR,

I am directed to say that it has been suggested to the Government of India that the opportunity afforded by the reminting of the coinage which may be rendered necessary after the war should be taken advantage of to decimalize the coinage system of the country. The decimal system of coinage has gradually displaced all other forms in most of the countries in the world, India, Great Britain and certain Empire countries being the chief exceptions; and it is suggested that its advantages, such as simplification of accounting and facility of calculation, are such as to render desirable its adoption in India.

2. The proposal is that, like the Ceylon rupee, the Indian rupee should be divided not into 192 pies but into 100 cents. The present rupee, half-rupee and quarter-rupee coins would remain but the lower denominations would be replaced by coins of the value of 10, 5, 2 and 1 cents with possibly a $\frac{1}{2}$ cent coin. While the present series of coins of low denomination were being withdrawn and during the period of transition the two sets of coin would circulate side by side, prices being expressed either in one or the other or in both.

3. As the process of change must necessarily be difficult the Government of India do not intend to take any step in this direction unless they are confident of public support and I am to request you to favour this Government with the views of your Government on the proposal set forth in greater detail in the accompanying memorandum after consulting public opinion in your Province.

I have the honour to be,

SIR,

Your most obedient servant,

K. G. AMBEGAOKAR,

Joint Secretary to the Govt. of India.

MEMORANDUM EXPLANATORY OF THE PROPOSAL TO INTRODUCE A DECIMAL SYSTEM OF COINAGE IN INDIA

1. Opportunity for changing the existing system

The new series of the two anna, one-anna, half anna and pice pieces at present circulating in the country were introduced in 1942 as a war-time measure in order to cope with the greatly increased demand for small coin, the short supply of nickel and tin and the problem of hoarding. The design of the pice with the central hole has, however, not been a success and the nickel brass

alloy used for minting the other coins referred to has proved to be unpopular. Not only does the use of this alloy involve a disproportionate waste of metal in the process of manufacture but the coins minted therefrom tarnish badly in circulation; moreover, due to the universal domestic use of brass throughout India, this alloy is unrivalled for the ease with which it can be used for counterfeiting. The Government of India have, therefore, decided that as soon as conditions permit, the nickel-brass alloy should be replaced by the pre-war cupro-nickel alloy and a piece of new design should be issued. When, after the end of the war, sufficient supplies of nickel become available, a huge recoinage programme will consequently have necessarily to be undertaken and a unique opportunity will then be presented to undertake any other reform of the subsidiary coinage that might be considered desirable in the public interest.

2. Proposal for decimalization

It has been suggested to Government that advantage should be taken of this opportunity to introduce a decimal system of coinage, under which the Indian rupee would be divided not into 192 pies but into 100 cents as follows :

1	Rupee	corresponding to the existing Rupee.	
50	Cents	corresponding to the existing $\frac{1}{2}$ Rupee.	
25	Cents	corresponding to the existing $\frac{1}{4}$ Rupee.	
10	Cents	} cupro-nickel ("shaped" coins)	} to replace the existing coins below the value of $\frac{1}{4}$ Rupee.
5	"		
2	"		
1	"			Bronze coins
$\frac{1}{2}$	"	(possibly)	

This division has been suggested on the lines of the existing Ceylon coinage, in that the rupee would remain unaltered and the half rupee and the quarter rupee would retain their present shape, size, weight and metal content, but would be issued as 50 cent and 25 cent coins. The existing 2-anna, 1 anna, half anna, and pice pieces would, however, have no counterpart in the new system and their recoinage would not be undertaken.

3. Advantages of the proposed system

The present coinage system whereunder the rupee is divided into 16 annas and each anna is divided into 12 pies is by no means ideal for purposes of calculation and accounting. The basis for the suggestion now made is that modern trade and commerce demand quick and simple methods of computation and that in this respect there is nothing to compete with the decimal system, as evidenced by the fact that it has gradually displaced all other forms in most countries of the world (India, Great Britain and certain Empire countries being the most important exceptions). To give a few examples, Ceylon, China, Iraq, Palestine, Malaya, the Netherlands East Indies and Thailand all now have a decimal coinage and it is arguable that India too should fall into line with the modern practice that has found such general favour.

4. Difficulties in the way of the introduction of decimal coinage

(a) It is, of course, realised that the introduction of a new system of coinage in India is likely to have adverse reactions in the initial stages. First and foremost, the existing form carries with it the sanctity of time and tradition and the change proposed might well be opposed by certain sections of the public on grounds of sentiment. It will be apparent, however, that it is not proposed to interfere with the rupee itself, that the $\frac{1}{2}$ and $\frac{1}{4}$ rupee coins will remain as they are, with only a new nomenclature, and that the basis of the coinage system will therefore remain intact.

(b) There will be a period of some years during which both the present and new types of small coins below a quarter rupee in value will be in circulation simultaneously. This is inevitable due to the very large number of such coins that must be minted before the present series could be declared as uncurrent. The table below gives, in respect of the denominations below 4 annas in value, the proposed coinage, the existing coinage and the value in the proposed coinage of the existing coinage.

Existing coinage	Proposed coinage	Value of existing coinage in proposed coinage
Annas 2	10 Cents	12.5 Cents
Annas 1	5 Cents	6.25 Cents
1 Pice	2 Cents	1.5625 Cents
1 Pie	{ 1 Cent $\frac{1}{2}$ Cent	.5208 Cents

For such time as the two series circulate side by side it is proposed that printed slips should freely be distributed setting forth the relation between the two varieties.

(c) The adoption of such a system would, of course, have repercussions of the widest character since all rates and prices quoted on the basis of the present system would have to be adapted to the changed conditions, causing considerable initial inconvenience to the public and additional work all round in the matter of fixation of new rates and fresh issues of postage stamps, railway ticket, etc. The adaptation can, however, be effected simultaneously and *pari passu* with the process of introducing the new coinage, and the probable confusion in the transition period would to some extent be mitigated by a wide distribution of the slips of paper mentioned above setting forth the arithmetical relation between the two types of coinage.

5. Conclusion

The initial difficulties involved, however, are inherent in any radical change in the coinage and must be faced if India desires to have the advantages of simplified and rational system of coinage. That it is possible to overcome the difficulties inherent in a change over from one system of coinage to another even in countries where the level education is low and population generally backward is evidenced from the dates that Russia (1839 and 1897) and Japan (1871) went over to the new system, no less than by the fact that most other countries have adopted the modern form. A similar opportunity for modernisation of the coinage of India is not likely to recur and there can be no better time to effect this alteration than in the early post-war period. But the Government of India would not desire to embark on a new scheme of this nature in anticipation of public approval and support, and therefore invite sections of the public to express themselves on the proposal. The necessity for deciding the issue now is, however, urgent since the Mints must be given adequate time to make all preparations for implementing the decision as soon as possible after the end of the war.

Decimal system in coinage is current in the following countries.

British Empire.—Br. Guiana, Br. Honduras, Br. North Borneo, Canada, Ceylon, Federated Malay States, Gibraltar, Hongkong, Iraq, Kenya Colony, Mauritius, New foundland, Palestine and Transjordan, Seychelles, Strait Settlements, Sudan, Tanganyika Territory, Uganda.

Foreign Countries.—Abyssinia, Afghanistan, Albania, Algeria, Angola, Argentine, Austria-Azores, Belgium, Belgian Congo, Brazil, Bohemia, Bolivia, Bulgaria, Canary Islands, Chile, China, Columbia, Costa Rica, Cuba, Danzig, Denmark, Dominican Republic, Dutch East Indies, Dutch Guiana, Eritrea, Ecuador, Egypt, Estonia, Finland, Formosa, France, Germany, Greece, Guatemala, Haite, Holland, Honduras Republic, Hungary, Iceland, Indochina, Iran, Italy, Japan, Java, Korea, Latvia, Liberia, Liechtenstein, Lithuania, Luxemburg, Lybia, Madagascar, Madeira, Manchukuo, Memel, Mexico, Manocao, Montenegro, Moravia, Morocco, Mozambique, Nicaragua, Norway, Panama, Paraguay, Peru, Philippine Islands, Poland, Portugal, Portuguese E. Africa, Rhodes, Rumania, Russia, Salvador, Siam, Spain, Spanish Guinea, Sweden Switzerland, Syria & Lebanon, Tunisia, U.S.A., Uruguay, Vatican, Venezuela, Virgin Islands, West Africa & Sahara, Yugoslavia, Zara.

INCONVENIENCE CAUSED TO MRS. INDIRA GANDHI AND HER SON BY MILITARY OFFICERS

10. THE HON. RAJA YUVERAJ DUTTA SINGH: (a) Will Government state the facts and circumstances relating to the incident which took place at the Delhi Railway Station on or about the 26th April last when two military officers occupied a ladies' compartment, causing inconvenience to Mrs. Indira Gandhi and her one year old son?

(b) Was any enquiry made; if so, by whom? What action has been taken against the military officers?

THE HON. SIR ARTHUR GRIFFIN: (a) No such incident has been reported officially either to the Railway or to the Military authorities. From inquiries made I gather that one of the ticket collectors, who was on duty remembers the incident. He states that Mrs. Indira Gandhi was booked in a Second Class ladies' compartment but decided to change over to the First Class at the last moment. The Assistant Station Master on duty at the time, states that when the train was about to move he was informed that two military officers along with a lady were occupying a First Class ladies' compartment. When he asked them to vacate, the military officers readily detrained and told him they had no intention of travelling, having come merely to see the lady passenger off. Mrs. Indira Gandhi was accommodated in this ladies' compartment, but fearing that the military officers might board the train after it had started, asked for an assurance that this would not happen. She was given this assurance and was told that if they did attempt to get into the compartment, she could pull the communication cord. The train steamed out of Delhi without any further incident.

(b) In view of what I have stated, no inquiry was called for, and the second part of the question does not arise.

RECRUITMENT FROM THE CLERICAL STAFF OF THE LONDON CENSORSHIP OFFICE

11. THE HON. RAJA YUVERAJ DUTTA SINGH: Is it a fact that Government are recruiting or have recruited from the clerical staff of the London Censorship Office about 50 hands for employment in India on a salary of about Rs. 750 per month? If so, was no Indian available for the jobs?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: No, Sir. The second part of the question does not arise.

STARTING OF FACTORIES BY BRITISH FIRMS

12. THE HON. RAJA YUVERAJ DUTTA SINGH: Are Government aware of the decision of certain leading British firms in England to start factories in India, soon after the war? What steps have been taken by Government to protect Indian industries from being adversely affected by the opening of such foreign firms in this country?

LT.-GENERAL THE HON. SIR THOMAS HUTTON: Yes, sir, but the number of applications for registration of capital goods received from British firms wishing to start factories in India is extremely small. As regards the second part of the question all I can say at present is that Government is keeping a watch over developments.

THE HON. MR. G. S. MOTILAL: May I know what is that small number?

LT.-GENERAL THE HON. SIR THOMAS HUTTON: I cannot give figures off-hand. I would require notice of that question.

BRITISH OVERSEAS AIRWAYS CORPORATION

13. THE HON. RAJA YUVERAJ DUTTA SINGH: (a) Will Government make a statement giving the details so far as available, of the plan of the British Overseas Airways Corporation to run services after the war to certain countries including India?

(b) Have Government been consulted in the matter? What are the administrative and financial control implications, if any, of the proposal?

(c) Is there any stipulation in the proposed arrangement for the training and employment of certain proportion of Indian personnel in the air service? If not, why not?

(d) Do Government propose not to allow any foreign air service to operate in India, which will in any way fetter the establishment and development of indigenous air services in this country, or will perpetuate a monopolistic trend in civil aviation?

THE HON. SIR MAHOMED USMAN: (a) Government have no detailed information on the plans of the British Overseas Airways Corporation for the operation of specific air services in the period after the war. They however include air services to India and air services through India to Australia and other countries.

(b) There have been discussions between the Commonwealth countries on the general principles to be followed in the operation of air services of mutual interest on Commonwealth air routes. These are summarised in sections I and II of the Government of India's plans for the operation of External Air Services, a copy of which has been placed in the library of the House.

(c) Since India will operate her own independent air services there is no proposal for the employment of Indian personnel in the British Overseas Airways Corporation.

(d) Yes. I would refer the Hon. Member to the plan mentioned in reply to part (b) and to the plan for the operation of Internal Air Transport a copy of which has also been placed in the Library of the House.

STATEMENT BY THE AUSTRALIAN TRADE COMMISSIONER FOR INDIA REGARDING
MARKETS IN INDIA

14. THE HON. RAJA YUVERAJ DUTTA SINGH: (a) Has the attention of Government been drawn to the statement of the Australian Trade Commissioner for India some months back, that "Australia was eager to find markets in India" and that "as soon as the war ended, Australia would undertake an aggressive export policy, not only for India, but for other parts of the world"?

(b) What steps do Government propose to take to prevent dumping of Australian goods in India, to the detriment of Indian Trade interests?

THE HON. MR. N. R. PILLAI: (a) Yes, but Government have reason to believe that Mr. Gollan has not been correctly reported, and are making enquiries.

(b) There is no evidence that Australian goods are being dumped into India, and no corrective action is called for.

EXPORT OF TEXTILES

15. THE HON. RAJA YUVERAJ DUTTA SINGH: (a) Will Government place on the table a statement, showing the export of textiles from this country, month by month, during the last two years, indicating the quantities and varieties of cloth, and the countries to which they were exported?

(b) Will Government place on the table a statement showing the quantities of cloth supplied to the Defence Services and for Military requirements in India, month by month, during the last two years?

THE HON. MR. N. R. PILLAI: (a) I lay a statement on the table. No statistics have been maintained showing exports of each variety of cloth.

(b) As defence service requirements are procured under the bulk purchase system, it is not possible to furnish statements showing supplies of cloth month by month. The total supplies of cloth during the years 1944 and 1945 were 802 million and 575 million yards respectively.

Statement showing exports of COTTON PIECEGOODS from India during 1944 & 1945.

Destination	(Figures are given in tons)													
	1944	1945	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Aden, including Yemen, Hadra-maut.	486	639	6	273	130	543	932	..	471	415	..	720	..	848
Saudi Arabia	100	23	2	39	..	1	192	3	202	264	..	123	300	1
Ethiopia	396	570	..	183	..	15	33	..	..	..	..	..	137	539
Eritrea	12	6	..	12	..	18	..	..	..	..	..	..	42	226
French Somaliland	327	163	..	335	278	121	72	117	134	92	192	372	10	33
Afghanistan	164	339	..	161	129	222	320	486	53	33	110	110	118	157
Arab States in the Persian Gulf	352	339	..	161	196	443	44	486	92	589	238	361	19	217
Australia	5	52	..	16	..	15	..	14	15	..	..	..	76	12
Belgian Congo	210	1187	712	932	1102	713	..	615	592	18	253	112	293	20
British East Africa, Nyassaland & Italian Somaliland.	..	..	..	..	..	1	145	..	538	..	..	..	493	2810
British West Africa including Nigeria	..	..	..	..	..	..	..	..	..	..	..	..	152	..
China	257	268	478	251	370	407	464	144	417	306	310	514	306	163
Ceylon	..	17	..	..	23	..	28	23	4	2	..	36	10	5
France	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands East Indies	..	..	..	..	..	251	..	..	66	..	..	..	..	..
French West Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..
French North Africa	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Iraq	114	84	..	..	..	..	..	..	..	..	..	..	227	..
Mauritius	8	..	..	8	59	..	661	116	..	155	275	487	229	582
New Zealand	17	18	36	37	48	52	..	16	85	43	54	71	74	144
N. & S. Rhodesia	..	117	72	1	136	4	..	69	22	39	..	82	107	65
Palestine	46	110	..	45	..	..	104	4	68	..	..	99	3	..
Transjordan	..	..	..	..	105	..	..	57	..	23	..	70	15	..
Persia	248	137	35	107	32	34	527	8	..	9	75	70	27	..
Portuguese East Africa	..	13	1	..	17	..	..	5	..	..	..	..	6	..
Beychelles	..	14	..	..	..	3	..	..	7	..	4	6	..	..
Sudan	971	748	14	483	277	493	1407	..	311	125	259	343	372	1102
Syria & Lebanon	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Turkey	662	704	..	342	296	46	5	126	16	29	..	45	22	34
Union of South Africa	..	518	224	190	470	515	111	460	286	406	342	173	118	11
Nepal	482	356	341	292	321	341	206	326	356	402	572	430	270	65
British Pacific Islands	..	27	8	12	13	20	..	15	25	..	9	..	12	..
Madagascar	..	17	..	..	..	..	..	..	..	..	..	..	..	..
Reunion	..	68	..	..	..	127	141	24	140	194	123	35	296	151
..	..	..	..	..	..	..	..	..	..	..	10	..	1	7

THE HON. PANDIT HIRDAY NATH KUNZRU: Will the Hon. Member tell us what percentage of the total production is proposed to be exported and to be supplied to the defence services ?

THE HON. MR. N. R. PILLAI: Does the Hon. Member's question refer to supplies to be made in 1946 or supplies already made ?

THE HON. PANDIT HIRDAY NATH KUNZRU: If the Hon. Member could give me the figures say, regarding the exports that have already taken place and supplies already made to the defence services, that will do.

THE HON. MR. N. R. PILLAI: The production of cloth in India has been, during the last two years, as follows: Mill-made goods, 4,800 million yards, and handloom goods, 1,500 million yards.

THE HON. PANDIT HIRDAY NATH KUNZRU: How much of it has been exported? I asked for the proportion of the total production in this country which has been exported and which has had to be supplied for the use of the defence services.

THE HON. MR. N. R. PILLAI: Against the production figure of 6,300 million yards, exports on defence account came to 802 million yards in 1944 and 575 million yards in 1945.

THE HON. PANDIT HIRDAY NATH KUNZRU: Defence services ?

THE HON. MR. N. R. PILLAI: Yes, on account of defence requirements.

TRANS-CONTINENTAL AND WESTERN AIR SERVICES OF THE U. S. A.

16. THE HON. RAJA YUVERAJ DUTTA SINGH: Are Government aware that the Trans-Continental and Western Air Services of the U.S.A. propose to operate daily flights from Chicago to Calcutta *via* Alaska, Siberia, China and Japan, after the war? Will Government give the main outlines of this scheme, with special reference to the right of India for control in her own territory and the financial or administrative obligation, if any ?

THE HON. SIR MAHOMED USMAN: Government are not aware of any proposal of the Trans-Continental and Western Airways of the United States of America operating from Chicago to Calcutta *via* Alaska, Siberia, China and Japan. The latter part of the question does not therefore arise.

THE HON. MR. M. THIRUMALA ROW: Will Government make enquiries to find out whether any such attempt is being made ?

THE HON. SIR MAHOMED USMAN: I do not think it is necessary.

PLACING OF THE EMPEROR OF JAPAN ON THE LIST OF WAR CRIMINALS

17. THE HON. RAJA YUVERAJ DUTTA SINGH: Was any conference held in London some time back between the Dominion representatives and the British Government at which a representative of India was invited, with regard to the placing of the Japanese Emperor, Hirohito, on the list of Japanese War Criminals? If India was not invited to this Conference why did Government fail to press for such invitation ?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: The Government of India have no knowledge of any such conference. The second part of the question does not therefore arise.

SMUGGLING OF CLOTH, ETC., INTO BALUCHISTAN

18. THE HON. RAJA YUVERAJ DUTTA SINGH: (a) Are Government aware that a regular conspiracy exists which is responsible for smuggling cloth and other consumer goods from India to Baluchistan and other neighbouring States ?

(b) Is it a fact that about the beginning of April, about 21 camels loaded with bales of cotton cloth were captured on the Kalat-Karachi borders? What are the facts of this case and how has it been dealt with ?

(c) What effective steps have been taken to strengthen the agency of supervision to prevent smuggling?

THE HON. MR. M. W. M. YEATTS : (a) Government are aware of the persistent efforts to smuggle goods from India to neighbouring countries.

(b) *Part 1.* No, Sir.

Part 2. Does not arise.

(c) The local administration have strengthened considerably the preventive staff and steps have been taken to secure the active co-operation of the States on or near the Western frontier to prevent smuggling. Further under the Goods (Control over Movement) Order, 1945 notified on 25th August 1945 movement of the consumer goods mentioned in the schedule attached to it, is permitted only under permits granted by responsible Government officers.

DISTRIBUTION OF GERMAN BULLION AMONG THE ALLIES

19. THE HON. RAJA YUVERAJ DUTTA SINGH : With reference to the discovery and seizure of an immense amount of German bullion hoard and the report that it will in due course be divided among the Allies, will Government state whether it is proposed to allot a share to India also, in view of the vast expenditure incurred by her in the War? Do Government propose to ascertain and press the claims of this country on His Majesty's Government?

THE HON. SIR CYRIL JONES : The Paris Conference on Reparations, at which India was represented, decided that all the monetary gold found in Germany would be restored *pro rata* to the countries from which it was looted. As the quantity of gold found in Germany is very much less than the quantities looted by that State and as, therefore, the legitimate claims of the rightful owners of that gold will not be satisfied, the Government of India did not press, and do not propose to press, for any allocation of this gold to India.

THE HON. MR. M. THIRUMALA ROW : Can the Government give us the names of the gentlemen who represented India at the Paris Conference?

What are their names, and their status in the Government of India?

THE HON. SIR CYRIL JONES : The Original Delegates were Mr. Iengar, Joint Secretary, Department of Planning and Development—Leader of the Delegation; Mr. Nehru, Deputy Secretary to the Government of India, Finance Department—Member; Mr. Rathbone, Custodian of Enemy Property—also a Member. Later, as the officers had to be recalled, Mr. Chowdhury, Deputy to the High Commissioner, took their place and carried on the conversations with Mr. Rathbone; but that was after all major questions of principle had been settled.

THE HON. MR. M. THIRUMALA ROW : Were they instructed by the Government of India not to press for any reparations, or have the Government of India adopted their advice?

THE HON. SIR CYRIL JONES : It is entirely incorrect to say that they were instructed not to press for any reparations: they certainly did press for reparations and secured them.

INDIAN NATIONAL AIRWAYS

20. THE HON. RAJA YUVERAJ DUTTA SINGH : Will Government indicate the main details of the plan which the Indian National Airways has for a sky network, extending to the remotest region of India, and providing the most advanced aviation service in the immediate post-war years?

THE HON. SIR MAHOMED USMAN : Government have no specific knowledge of the plans referred to.

CLOTH EXPORTS THROUGH THE U. K. C. C.

21. THE HON. RAJA YUVERAJ DUTTA SINGH: Will Government state the quantity and value of cloth which has been exported from India through the agency of the U. K. C. C. during the last two years, indicating the figures for each year separately?

THE HON. MR. N. R. PILLAI: During 1944-45 the U.K.C.C. despatched to Turkey about 800 bales of cloth valued at about Rs. 4.8 lakhs and during the current year 22 bales valued at Rs. 7,000. The supplies were made by the Supply Department against inter-governmental orders and the Corporation only arranged shipment.

THE HON. MR. M. THIRUMALA ROW: Is the U.K.C.C. still operating in India now?

THE HON. MR. N. R. PILLAI: No, Sir. The office of the U.K.C.C. in India was closed down on the 31st January.

INDUSTRIAL POLICY

22. THE HON. RAJA YUVERAJ DUTTA SINGH: (a) Is it a fact that Government in laying down their future industrial policy, declare themselves in favour of taking under Central control, some twenty key industries, including such important and nation-building industries as iron, steel, cotton and woollen textiles, cement, sugar, electric power and coal and that they propose to consult provinces and leading Indian States before coming to a final decision?

(b) Is it a fact that Government propose to take power to license the starting of new factories and the expansion of existing ones, as part of planned industrial development?

(c) In view of the highly controversial nature of the proposals, do Government propose to consult the Central Legislature and the public before taking final decision? If not, why not?

LT.-GENERAL THE HON. SIR THOMAS HUTTON: (a) and (b). Yes. The attention of the Hon. Member is invited to the Statement of Industrial Policy issued in April, 1945.

(c) As the proposals referred to in clauses (a) and (b) require legislative sanction the Legislature will have a full opportunity of discussing them.

ATLANTIC CHARTER.

23. THE HON. RAJA YUVERAJ DUTTA SINGH: (a) Has the attention of Government been drawn to what is known as the Atlantic Charter and Peace principles enunciated by the President of the U.S.A. and the British Prime Minister, Mr. Churchill, in which they affirm their determination to "respect the right of all peoples to choose the form of government under which they will live, and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them"?

(b) Will Government state what specific steps they have taken to press upon His Majesty's Government to implement the principles of the Atlantic Charter and to restore sovereign rights and self-government to India? What is the result of such representations?

THE HON. SIR MAHOMED USMAN: (a) I have seen newspaper reports of the statement referred to by the Hon. Member.

(b) As I have already said in reply to the Hon. Member's question on the 22nd March 1945, the policy of His Majesty's Government in regard to the future of India has been made clear in various pronouncements made from time to time and I cannot usefully add to them.

THE HON. MR. M. THIRUMALA ROW: Have the Government of India got any authoritative document with regard to the Atlantic Charter?

THE HON. SIR MAHOMED USMAN: Notice, Sir.

LEAVE CAMPS FOR MILITARY PERSONNEL

24. THE HON. RAJA YUVERAJ DUTTA SINGH: Is it a fact that arrangement for the opening of large leave camps for personnel from the Central Command and the North Western Army have been made at Murree and in Kashmir? If so, what are the facilities available and are these camps equally open to the Indian as well as the British personnel? If not, why not?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: Leave Camps have been established in all Commands and are designed to provide living accommodation for British Other Ranks who have no residence in India. The Leave Camps at Murree accommodate troops from Northern Command, although during the past year troops on leave from Central Command and Allied Land Forces in S.E. Asia have also been accommodated there. There is no real leave centre in Kashmir, but accommodation for British troops in certain houses, hotels and houseboats has been acquired by the Women's Voluntary Services at standardised daily rates.

Amenities provided in leave camps consist of certain additions to normal service scales of furniture and fittings, such as curtains, floor coverings, extra lighting. Troops also receive a slightly more varied scale of rations and are allowed to wear mufti which is provided on loan.

As regards the last part of the question, I can assure the Hon. Member that there is no question of discrimination. The Indian soldier prefers to spend his leave in his home as the British soldier does in the U. K. Since the British soldier has no home in India and cannot afford to put up at hotels, Government have set up these leave camps for their benefit.

THE HON. PANDIT HIRDAY NATH KUNZRU: Is His Excellency the Commander-in-Chief aware that the Indian Army would greatly appreciate the establishment of a few leave camps for Indian soldiers, who are not in good health and who would like to spend a portion of their leave in some healthy place?

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: In India?

THE HON. PANDIT HIRDAY NATH KUNZRU: Yes.

HIS EXCELLENCY THE COMMANDER-IN-CHIEF: It has not been brought to my notice and so far there has been no demand but I will enquire into the matter. Leave Camps have been set up, as the Hon. Member, I think, knows, in Egypt, Syria, Burma and other places in which Indian troops are stationed and where they have no home to go to.

FUNCTIONS OF THE JUDICIAL COMMISSIONER IN AJMER-MERWARA

25. THE HONOURABLE RAJA YUVERAJ DUTTA SINGH: (a) Is it a fact that the functions of a High Court in Ajmer-Merwara are performed by a Judicial Commissioner who is the Judicial Commissioner of Rajkot?

(b) Have Government received any proposal urging the establishment of Circuit Court of the Allahabad High Court in Ajmer-Merwara? Do they propose to consider the above proposal, in the interest of the more efficient administration of Justice, and to remove the hardships of the people under the present system?

THE HON. MR. A. E. PORTER: (a) The functions of the High Court are performed by the Judicial Commissioner, Ajmer-Merwara whose headquarters are at Ajmer. He also performs part-time work at Rajkot for the Western India States Agency.

(b) Representations were received in 1943 and 1944 for placing Ajmer-Merwara under the Allahabad High Court and for the disposal of judicial work by Judges of that Court on Circuit but public opinion at the time was not in favour of the abolition of the Judicial Commissioner's Court at Ajmer and it was considered desirable to continue the existing arrangement which is also cheaper to the public.

INDUSTRIALISATION OF INDIA

26. THE HON. RAJA YUVERAJ DUTTA SINGH: Are Government aware of any proposal that India should be industrialised only by British and Indian co-operation on a fifty-fifty basis in capital and controlling interests? What steps do they propose to take to counter such a move?

LT.-GENERAL THE HON. SIR THOMAS HUTTON: *First part*: No. *Second Part*: Does not arise.

INDIAN TRADE COMMISSIONERS

27. THE HON. RAJA YUVERAJ DUTTA SINGH: (a) Is there any proposal to have a chain of Indian Trade Commissioners in all countries where there is the possibility of having a market for India's trade, particularly in East Africa, the Middle East, East Asia, Malaya and Indo-China?

(b) Will Government make a statement on the above, indicating the main details of the arrangements proposed, and also state whether the Trade Commissioners and Trade Agents will be nationals of India, to the exclusion of foreigners?

THE HON. MR. N. R. PILLAI: (a) and (b). It is, and has been, the policy of the Government of India to appoint Trade Commissioners to countries which are of actual or potential importance to India's export trade. Accordingly Trade Commissioners for India have been appointed in eight countries, including, amongst those specifically mentioned in the question, East Africa, Egypt and certain Middle East countries and Persia. It is proposed to make similar appointments in Iraq, Burma and Cylon, and further appointments are in contemplation. It is Government's intention that Trade Commissioners for India should be Indian nationals.

RECRUITMENT TO THE I. C. S. AND I. P.

28. THE HON. RAJA YUVERAJ DUTTA SINGH: (a) Is it a fact that it has been decided that 50 per cent. of future recruitment to the I.C.S. and I.P.S. should be ear-marked for British personnel?

(b) Will Government make a statement indicating the main features of the proposal they have in view, and the reasons in support of the same?

THE HON. MR. A. E. PORTER: (a) and (b). Recruitment to the Indian Civil Service and Indian Police was suspended partially in March 1941 and totally after the examination held in India in 1943, in order that appointments due to be filled during the war might be reserved for war service candidates. A scheme is now in operation to select such candidates for vacancies accruing up to the end of 1945. The ratio for recruitment of British and Indian candidates that is current when recruitment was suspended and is being applied in accordance with an undertaking then given. Full details of the recruitment regulations and conditions of service are contained in the pamphlet 'Civil Appointments in India and Burma', a copy of which is in the Library of the Legislature. There is at present no indication of the Secretary of State's intention with regard to vacancies arising after the end of 1945.

THE HON. PANDIT HIRDAY NATH KUNZRU: Have the Government of India asked, with regard to the recruitment of British officers to the I.C.S., and the I.P.S. that the matter be reconsidered in connection with the new constitutional arrangements which it is hoped would come into effect soon in India?

THE HON. MR. A. E. PORTER: No, Sir.

THE HON. PANDIT HIRDAY NATH KUNZRU: Why have Government neglected to do this?

THE HON. MR. A. E. PORTER: The Administration must go on and the terms on which it is sought to appoint officers to these Services provide for the termination of their appointment upon the institution of constitutional changes

THE HON. PANDIT HIRDAY NATH KUNZRU: Does the Hon. Member mean that the Administration cannot go on if the officers are recruited in India entirely ?

THE HON. THE PRESIDENT: We have today a considerable amount of work to do. I draw the Hon. Member's attention to that.

THE HON. PANDIT HIRDAY NATH KUNZRU: We have not asked many questions, Sir.

THE HON. MR. M. THIRUMALA ROW: May I ask one question, Sir ? Are Government aware of the strong feeling expressed in the country and in the Assembly that the recruitment of British personnel to the I.C.S. and the I.P.S. should be stopped forthwith ?

THE HON. MR. A. E. PORTER: Government are fully aware of the opinion expressed in the other House. They also read the newspapers.

THE HON. MR. M. THIRUMALA ROW: Will Government be guided by that opinion ?

THE HON. MR. A. E. PORTER: Government will certainly take it into consideration.

SETTING UP OF BRANCHES IN INDIA BY UNITED STATES FIRMS.

29. THE HON. RAJA YUVERAJ DUTTA SINGH: (a) Is it a fact that numerous United States firms have expressed great interest in the prospect of setting up branches in India after the war, either independently or in partnership with Indians ?

(b) What steps are being taken to guard the situation, in order to prevent Indian market from being exploited in the interest of foreign manufacturers ?

THE HON. MR. N. R. PILLAI: (a) No, Sir.

(b) Does not arise.

TERMS OF THE INTERIM AND TRANSIT AVIATION AGREEMENT

30. THE HON. RAJA YUVERAJ DUTTA SINGH: Will Government state the main terms of the interim and transit Aviation Agreement, and the obligations arising therefrom, signed some time back on behalf of India in Washington ?

THE HON. SIR MAHOMED USMAN: The Hon. Member is referred to the Final Act of the International Civil Aviation Conference Chicago, containing the texts of the Interim Agreement on International Civil Aviation and the International Air Services Transit Agreement, copies of which are in the Library of the House.

NOTICE OF MOTION FOR ADJOURNMENT.

THE HON. THE PRESIDENT: Hon. Members, just a few minutes before the Council met this morning I received notice of an adjournment motion from the Hon. Mr. M. Thirumala Row. I will read the motion to the House :—

"I give notice of the following adjournment motion of the business of the House to be moved by me today after question time.

'I move an adjournment of the business of the house for discussing a definite matter of urgent public importance, namely, the continued employment of Indian troops in Indonesia for the purpose of suppressing Indonesian Nationalist movement for independence.'

(Sd.) M. Thirumala Row,
Member Council of State."

Hon. Mr. Thirumala Row: I have carefully scanned your motion. I want to know whether you have obtained the leave of His Excellency the Governor General to move this motion.

THE HON. PANDIT HIRDAY NATH KUNZRU: (United Provinces Northern : Non-Muhammadan) : Are we required to obtain the Governor General sanction to move such a motion ?

THE HON. THE PRESIDENT: Yes, under rule 23 that is required to bring in a motion like this.

THE HON. PANDIT HIRDAY NATH KUNZRU: May we know what rule 23 is ?

THE HON. THE PRESIDENT: I will read it to you.

“23 (1) Every Resolution shall be in the form of a specific recommendation.....” — I may tell you that a motion for adjournment is in the nature of a Resolution — “.....addressed to the Governor General in Council.

(2) No Resolution shall be moved —

* * * * *

(ii) save with the consent of the Governor General in his discretion—

(a) on any matter connected with relations between His Majesty or the Governor General in Council and any foreign State or Prince.”

This is a motion relating to action which has probably been taken under the orders of His Majesty's Government and I therefore think that the motion requires the sanction of His Excellency the Governor General.

THE HON. PANDIT HIRDAY NATH KUNZRU : May I submit that if the Resolution is admitted here, it will be sent up to the Governor General. It will then be open to him to disallow it if he does not want any discussion.

THE HON. THE PRESIDENT : The rule says that the previous sanction of the Governor General is required.

THE HON. MR. M. THIRUMALA ROW (Madras : Non-Muhammadan) : I submit that there is no necessity for the previous sanction of His Excellency the Governor General, because the motion relates to the disposition of troops which are entirely under the command of the Commander-in-Chief who is a member of this House and who is holding the portfolio of Defence.

THE HON. THE PRESIDENT : I cannot allow you to move the motion to-day, but I will give you an opportunity of obtaining the sanction of the Governor General.

STATEMENTS, ETC., LAID ON THE TABLE.

THE HON. SIR CYRIL JONES (Finance Secretary) : Sir, I lay on the table copies * of the following papers :—

- (1) Appropriation Accounts (Civil) 1943-44 and Audit Report 1945 ;
- (2) Commercial Appendix to the Appropriation Accounts (Civil) 1943-44 and the Audit Report 1945 ;
- (3) Finance Accounts 1943-44 and the Audit Report 1945 ;
- (4) Appropriation Accounts (Railways) 1943-44—Parts I & II ;
- (5) Capital Statements, Balance sheets and Profit and Loss Accounts of State Railways including the Balance Sheet and the Profit and Loss Account of Tata-nagar Workshops, 1943-44 ;
- (6) Balance Sheets of Railway Collieries and Statements of all-in-cost of coal etc., for 1943-44 ;
- (7) Railway Audit Report 1945 ;
- (8) Appropriation Accounts (Defence Services) 1943-44 ;
- (9) Commercial Appendix to the Appropriation Accounts of the Defence Services for the year 1943-44 ;
- (10) Audit Report Defence Services 1945 ; and
- (11) Appropriation Accounts (Posts and Telegraphs) 1943-44 and the Audit Report 1944.

*Not printed; Copies are placed in the Library of the House.

THE HON. SIR CYRIL JONES (Finance Secretary): Sir, I lay on the table the following notifications issued by the Government of India in the Finance Department (Central Revenues) under section 37 of the Central Excise and Salt Act, 1944 :—

- (1) No. 4-Camp (Central Excises), dated the 10th February, 1945 ;
- (2) No. 5-Camp (Central Excises), dated the 10th March, 1945 ;
- (3) No. 2 (Central Excises), dated the 21st April, 1945 ;
- (4) No. 6 (Central Excises), dated the 2nd June, 1945 ;
- (5) No. 8 (Central Excises), dated the 16th June, 1945 ;
- (6) No. 10 (Central Excises), dated the 13th October, 1945 ;
- (7) No. 11 (Central Excises), dated the 27th October, 1945 ;
- (8) No. 1-Camp (Central Excises), dated the 26th January, 1946 ;
- (9) No. 1 (Salt), dated the 1st April, 1945 ;
- (10) No. 4 (Salt), dated the 26th May, 1945 ;
- (11) No. 6 (Salt), dated the 22nd September, 1945 ;
- (12) No. 7 (Salt), dated the 13th October, 1945 ;
- (13) No. 8 (Salt), dated the 3rd November, 1945 ;
- (14) No. 10 (Salt), dated the 3rd November, 1945 ; and
- (15) No. 11 (Salt), dated the 15th December, 1945.

CENTRAL EXCISES

No. 4-Camp, dated the 10th February 1945.—In exercise of the powers conferred by section 37 of the Central Excises and Salt Act, 1944 (I of 1944), the Central Government is pleased to direct that the following further amendment shall be made in the Central Excise Rules, 1944, namely :—

To rule 60 of the said Rules, the following shall be added, namely :—

“The purchaser shall keep a correct daily account of such goods in like manner as is prescribed in rule 58.”

4-Camp/C. No. 21 (2)-C. Exc./44.

Copy forwarded to :—

The Collectors of Central Excise.

The Secretary to the Government of Sind, Revenue Department.

The Political and the External Affairs Departments.

The Deputy Director of Inspection Customs and Central Excise.

The Director-General of Commercial Intelligence for publication in the Indian Trade Journal

CENTRAL EXCISE

No. 5-Camp, dated the 10th March 1945.— In exercise of the powers conferred by section 37 of the Central Excise and Salt Act, 1944 (I of 1944), the Central Government is pleased to direct that the following further amendments shall be made in the Central Excise Rules, 1944, namely :

In rule 65 of the said Rules—

(i) in sub-rule (3)—

(a) for the words “a security bond in the proper Forms” the words “a bond in the proper Form with such surety or sufficient security as the Collector may require” shall be substituted ;

(b) the proviso shall be omitted ;

(ii) sub-rule (4) shall be omitted and sub-rules (5) and (6) shall be re-numbered as sub-rules (4) and (5) respectively ;

(iii) in sub-rule (4) as re-numbered—

(a) for the words, brackets and figures “sub-rules (3) and (4)” the word, brackets and figure “sub-rule (3)” shall be substituted ;

(b) for the words “the enquiry” the words “due enquiry” shall be substituted ;

No. 5-Camp/C. No. 19 (1)-C. Ex./45.

Copy forwarded to all Collectors of Central Excise ; the Political and External Affairs Departments ; the Secretary to the Government of Sind, Revenue Department ; the Director of Commercial Intelligence and Statistics for publication in the Indian Trade Journal and the Deputy Director of Inspection, Customs and Central Excise.

CENTRAL EXCISES

No. 6, dated the 2nd June 1945.—In exercise of the powers conferred by section 37 of the Central Excises and Salt Act, 1944 (I of 1944), the Central Government is pleased to direct that the following further amendments shall be made in the Central Excise Rules, 1944, namely :—

In Form L-2 (Tobacco) of the forms appended to the said Rules, paragraph 3 shall be re-numbered as paragraph 4 and before paragraph 4 as so renumbered the following shall be inserted as paragraph 3, namely :—

"3. It is a condition of this licence that the holder shall not use his tobacco for a purpose to which a rate of duty higher than the rate actually paid thereon would be appropriate."

No. 6/C, No. 3 (5)-C. Exc. (T)/45

Copy forwarded to all Collectors of Central Excise, the Secretary to the Government of Sind, the Political and External Affairs Departments and to the Deputy Director of Inspection, Customs and Central Excises.

CENTRAL EXCISE

No. 2, dated the 21st April 1945.—In exercise of the powers conferred by section 37 of the Central Excises and Salt Act, 1944 (I of 1944), the Central Government is pleased to direct that the following further amendment shall be made in the Central Excise Rules, 1944, namely :—

In rule 58 of the said Rules, after the words "in the proper Form" the words "or in such other form as the Collector may in any particular case allow" shall be inserted.

CENTRAL EXCISES

No. 8, dated the 16th June 1945.—In exercise of the powers conferred by section 37 of the Central Excises and Salt Act, 1944 (I of 1944), the Central Government is pleased to direct that the following further amendments shall be made to the Central Excise Rules, 1944, namely :—

In Appendix I to the said Rules—

I. In the Table under the heading "Forms" for the entries relating to Central Excise Series No. 32, the following shall be substituted :—

Central Excise Series No.	Description of Form	Rule No.	Short Title
32	(with security) for due disposal of excisable goods obtained, without payment of duty, for use in special industrial processes	192	B-8 (Sec.)
32A	(with surety) for due disposal of excisable goods obtained, without payment of duty, for use in special industrial processes	192	B-8 (Sur.)

II. For Form B-5 (Gen. Sur.) (Central Excise Series No. 28), the following form shall be substituted :—

Central Excise Series No. 28

Range
Circle

FORM B-5 (GEN. SUR.)

General Bond (with surety/ies) for the due arrival and rewarehousing of excisable goods removed from one bonded warehouse to another.
(Rule 154)

(Delete the letters and words not applicable.)

I/We of
[hereinafter called the obligor(s)] am/are bound to the Governor General in Council in the sum of rupees and I/we

of (hereinafter called the "First Surety")
of (hereinafter called the "Second Surety")
of (hereinafter called the "Third Surety")
of (hereinafter called the "Fourth Surety")

(all hereinafter collectively referred to as the First Surety, the Second Surety, the Third Surety, the Fourth Surety) are each of us severally bound to the Governor General in Council in the sum of rupees each to be paid to the Governor General in

Council for which payment I/we the obligor/obligors bind myself/ourselves and our legal representatives and I/we the abovenamed First Surety, the Second Surety, the Third Surety and the Fourth Surety severally bind myself/ourselves and our legal representatives.

The above bounden obligor(s) being permitted to remove from time to time, conditional on the provisions of the Central Excise Rules, 1944, being observed*, from the bonded warehouse(s) at _____ to other bonded warehouses or *vice versa*.

The condition of this bond is that if the obligor(s) and his/their legal representatives shall observe all the provisions of the said Rules, to be observed in respect of the goods so transferred from time to time;

And if the said goods are duly removed to and rewarehoused at the bonded warehouse(s) of destination to which they are permitted to be removed, within such time as the collector of Central Excise at _____ directs;

This obligation shall be void.

Otherwise and on breach or failure in the performance of any part of the condition, the same shall be in full force.

We declare that this bond is given under the orders of the Central Government for the performance of an act in which the public are interested.

Place

Date

			Signature(s) of obligor(s)
Witnesses	(1)	Address (1)	Occupation (1)
	(2)	Address (2)	Occupation (2)

Place

Date

			Signature(s) of Surety(ies)
Witnesses	(1)	Address (1)	Occupation (1)
	(2)	Address (2)	Occupation (2)

Accepted by me this _____ day of _____ 19 _____
Collector of Central Excise.

III. In Form B-8 (Central Excise Series No. 32), for the existing heading, the following shall be substituted:—

“FORM B-8 (SEC.)

Bond (with security) to be entered into by person licensed to obtain, without payment of duty, excisable goods to be used for special industrial purposes”.

IV. After Form B-8, as hereinbefore amended, the following new Form shall be inserted:—

Central Excise Series No. 32-A

Range
Circle

FORM B-8 (SUR.)

Bond (with surety) to be entered into by person licensed to obtain, without payment of duty, excisable goods to be used for special industrial purposes.

(Rule 192)

(Delete the letters and words not applicable)

I/We _____ of _____

[hereinafter called the obligor(s)] and

of _____

(hereinafter called the surety) are jointly and severally bound to the Governor General in Council in the sum of _____ rupees to be paid to the Governor General in Council for which payment we jointly and severally bind ourselves and our legal representatives.

The above bounden obligor(s) having been permitted by the Collector of Central Excise, (hereinafter called the Collector) to purchase from time to time such quantities of _____ as may be required, not exceeding _____ per year for use in the factory at _____ for the manufacture of the commodity(ies) and in the manner, specified in his/their application No. _____, dated _____ without payment of duty.

The condition of this bond is that if the obligor(s) shall not make any change in the nature or manner or manufacture specified in his/their application or use the for any purpose other than that stated in the application without the prior approval of the Collector;

*Here enter the description of the excisable goods.

And shall observe all the provisions of the Central Excise Rules, 1944, so far as they relate to the use of excisable goods for industrial purposes without payment of duty ;

And if all dues, whether excise duty or other lawful charges, which shall be demandable on the goods [obtained by the obligor(s) without payment of duty] as shown by the records of the proper officer of Central Excises, be duly paid into the treasury to the account of the Collector within ten days of the date of demand thereof being made in writing by the said officer of Central Excises ;

This obligation shall be void.

Otherwise and on breach or failure in the performance of any part of this condition, the same shall be in full force.

I/We declare that this bond is given under the orders of the Central Government for the performance of an act in which the public are interested.

Place

Date

Witnesses (1)
(2)

Address (1)
Address (2)

Signature(s) of obligor(s).
Occupation (1)
Occupation (2)

Place
Date

Witnesses (1)
(2)

Address (1)
Address (2)

Signature(s) of Surety(ies).
Occupation (1)
Occupation (2)

Accepted by me this _____ day of _____

19 _____
Collector of Central Excise.

V. To Form R.T.2 (Central Excise Series No. 68), the following shall be added at the back :—

“Central Excise Officer's Account.

Qty. assessed to duty	Sl. Nos. of Demands for duty	Removals to bonded warehouse			
		Quantity removed		Serial numbers of	
		under transport permit	under transport certificate	transport permits	transport certificates”

VI. For Form R.T. 5 (Central Excise Series No. 71), the following form shall be substituted

Central Excise Series No. 71

Range
Circle

FORM R.T. 5.

Periodical/Quarterly Return of materials used and of goods manufactured (Rule 55)

Name of factory		Address		Quarter ending		Season from		to		Remarks				
Opening balance of materials		Materials received		Total materials		Excisable goods manufactured		Other goods manufactured			Materials wasted or destroyed		Closing balance of materials	
Description	Quantity	Description	Quantity	Description	Qty. Total of Col 2 and 4	Description	Quantity	Description	Quantity		Description	Quantity	Description	Quantity
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

NOTE :—(1) Separate particular of each description of materials used and of each description of finished goods produced should be given.
(2) The reasons for wastage and destruction should be entered in the 'remarks' column.

I/We hereby declare that I/we have compared the above particulars with the records and books of the factory and that they are in so far as I/we can ascertain, accurate and complete.
Date]

Signature of manufacturer(s),

VII. In the Table annexed to Form R.T. 8 (C) (Central Excise Series No. 76) before the existing entry under the heading "molasses made",—in the second column, against Serial No. 4, the following shall be inserted :—

"Total molasses sent out Cwts."

CENTRAL EXCISES

No. 10, dated the 13th October 1945.—In exercise of the powers conferred by section 37 of the Central Excises and Salt Act, 1944 (I of 1944), the Central Government is pleased to direct that the following further amendment shall be made to the Central Excise Rules, 1944, namely :—

In paragraph 2 of form L. 5 of the forms appended to the said Rules, after the words "The licence is granted to Mr./Messrs....." the words "who have paid the prescribed licence fee of Rs....." shall be inserted.

No. 10/ C, No. 41 (31)-C. Exc. (T)/45.

Copy forwarded to :—

1. The Collector of Central Excise, Calcutta, with reference to paragraph 1 of the minutes, dated 7th August 1945, of the Assistant Collectors' Conference enclosed with his letter C. No. XVI/58-G1/45/24758, dated 23rd August 1945.
2. Other Collectors of Central Excise.
3. The Secretary to the Government of Sind, Revenue Department, Karachi.
4. The External Affairs Department.
5. The Political Department.*
6. The Director of Commercial Intelligence for publication in the Indian Trade Journal.
7. The Deputy Director of Inspection, Customs and Central Excises.

CENTRAL EXCISES

No. 11, dated the 27th October 1945.—In exercise of the powers conferred by section 37 of the Central Excises and Salt Act, 1944 (I of 1944), the Central Government is pleased to direct that the following further amendments shall be made to the Central Excise Rules, 1944, namely :—

In the forms in Appendix I appended to the said Rules :—

(i) The following shall be inserted as a penultimate paragraph in Central Excise Series Nos. 3 to 7 and as a final paragraph in Series No. 8 :—

"I/We hereby declare that no excise licence previously held by me/us has been revoked or suspended or has failed to be renewed owing to a breach of the Act and/or Rules governing the grant of such licence".

The final paragraphs in Series Nos. 3 to 7 shall be renumbered accordingly.

(ii) the following shall be inserted as a final paragraph in Central Excise Series Nos. 9 to 16 :—

"This licence may be revoked or suspended or its renewal may be refused, if any declaration made or information given in the application therefor is found to be false or if any undertaking given in such application is not carried out".

No. 11/C, No. 27(11)-C. Exc. (T)/45

Copy forwarded to :—

1. The Collector of Central Excise, Calcutta, with reference to his letter C. No. VII/34-Tob./45/24052, dated 11th August 1945.
2. Other Collectors of Central Excise.
3. The Secretary to the Government of Sind, Revenue Department.
4. The External Affairs Department.
5. The Political Department.
6. The Director of Commercial Intelligence for publication in the Indian Trade Journal.
7. The Deputy Director of Inspection, Customs, and Central Excises.

*With the usual number of spare copies.

CENTRAL EXCISES

No. 1-Camp, dated the 26th January 1946.—In exercise of the powers conferred by section 37 of the Central Excises and Salt Act, 1944 (I of 1944), the Central Government is pleased to direct that the following further amendment shall be made to the Central Excise Rules, 1944, namely :—

In Form A.L. 5 set forth in Appendix I to the said Rules—

After paragraph 3, the following paragraph shall be inserted, namely :—

“*3A. I/We have verified that the surety/sureties specified in the bond(s) executed by us in form(s) under rule(s) is/are alive and is/are solvent.

*Strike out if the application is made for the first time and if the bond has been executed with security”.

1-Camp/C. No. 8/6-CX./45

Copy forwarded to—

1. All Collectors of Central Excise.
2. The Secretary to the Government of Sind, Revenue Department.
3. The Political Department.
4. The Director of Commercial Intelligence for publication in the Indian Trade Journal.
5. The Inspectorate of Customs and Central Excises.

SALT

No. 1, dated the 1st April 1945.—In exercise of the powers conferred by subsection (1), read with clause (xvii) of sub-section (2) of section 37 of the Central Excises and Salt Act, 1944 (I of 1944), the Central Government is pleased to make the following rule, namely :—

Rule

Salt removed from Saltpetre refineries in the Punjab, the United Provinces, Bihar, Orissa, Delhi or Ajmer-Merwara is hereby exempted from the duty imposed on salt by section 3 of the Central Excises and Salt Act, 1944 (I of 1944) read with section 2 of the Indian Finance Act, 1945—

(a) in the case of *Sitta* (i.e., impure salt unfit for human consumption), to the extent of one rupee and eight annas per standard maund ;

(b) in the case of salt other than *Sitta*, to the extent of one rupee and one anna per Standard maund.

U.C. No. 90-Salt/45

Copy forwarded to the Collectors of Central Excise, Delhi, Allahabad and Calcutta, the Government of the Punjab, the United Provinces, Bihar and Orissa, Chief Commissioners of Delhi and Ajmer-Merwara and the Accountant General, Central Revenues.

SALT

No. 4, dated the 26th May 1945.— In exercise of the powers conferred by clause (xvii) of sub-section (2) of section 37 of the Central Excises and Salt Act, 1944 (I of 1944), and in supersession of the notification of the Government of India in the Finance Department (Central Revenues) No. 28-Salt/27, dated the 1st October 1927, the Central Government is pleased to remit the duty imposed under sub section (I) of section 3 of the said Act on salt manufactured in the province of Madras or in the territories transferred from the Province of Madras to the Province of Orissa by the Government of India (Constitution of Orissa) Order, 1936, when such salt is used in the Province of Madras or in the said territories or, with the special approval of the Central Government, in any other place for any industrial purpose other than the preparation of refined salt or as an ingredient or preservative in any article of food or drink, subject to the following rules :—

Rules

1. Any person intending to use salt in an industrial process (hereinafter referred to as the manufacturer) and wishing to be admitted to the concession shall make an application to the Assistant Collector of Central Excise of the division in which his works are situated (hereinafter referred to as the Assistant Collector). If he wishes the concession to extend to more than one factory or works, a separate application must be made for each such factory or works. Each application shall contain a statement of the estimated monthly quantity of salt required, of the salt factory or depot from which it is desired that it may be issued, and of the purpose and manner for and in which it is intended to be used, as well as a declaration that the salt applied for will be used solely for such purpose and in such manner, and it shall be accompanied by a fee of Rs. 100. Provided that if the concession is granted after six months of a financial year have expired

the fee payable for the said year shall be Rs. 50 and that if the full annual fee of Rs. 100 has been paid and a concession is surrendered before the expiry of six months of a financial year or in the case of a new grantee within six months of the grant, Rs. 50 shall be refunded.

2. If the Assistant Collector is satisfied, from his previous knowledge of the manufacturer or from inquiries or otherwise, that he is a person to whom the privilege of the duty free issue of salt may be allowed without danger to the revenue, he shall then inspect the works, or shall depute an Inspector to do so, or if the works are situated in the Mysore State, shall arrange for their inspection by an officer of the State and shall satisfy himself that they contain a secure store room for the custody of the salt. If the Assistant Collector finally approves the application, he shall require the applicant and one approved surety to execute a bond in Form I annexed hereto which he shall forward to the Collector of Central Excise (hereinafter called the Collector) for signature on behalf of the Central Government and shall at the same time issue an order for the delivery of the salt from the factory or depot named by the manufacturer. The concession shall expire on the 31st March each year, but may be renewed if the Assistant Collector sees no reason to the contrary on payment of a fresh fee of Rs. 100 for each financial year.

3. When the delivery of the salt is required, the manufacturer shall give not less than twenty-four hours' notice, exclusive of Sundays and of sanctioned holidays, to the officer in charge of such factory or depot, at the same time remitting to him the price of the salt at such rate as the Collector may from time to time prescribe.

4. The salt shall be removed from the factory or depot in gunny bags, to be provided by manufacturer, and to be approved by the Collector each of which shall contain two maunds It and shall be sealed by or under the orders of the Collector.

5. The manufacturer shall be bound to convey the salt direct with unbroken seals from the factory or depot to his works. He shall there keep it in a store-room approved by the Assistant Collector in the bags in which it was removed from the factory or depot. The bags shall not be opened before the salt is actually required for use nor shall the seals be broken or removed except in the presence of the manufacturer or his manager, who shall be a person approved by the Assistant Collector.

6. The key of the room in which the salt is kept shall be in the personal custody of the manufacturer or his manager who shall execute an agreement in Form II annexed hereto and who shall maintain an account in Form III annexed, showing the quantity of salt received, the quantity expended from time to time with the purpose for which, and the manner in which, it has been used and the daily balance in hand. He shall also maintain any other accounts which the Collector may prescribe in connection with the issue of salt for any particular trade. The factory or works may be entered into and examined at any time by any magistrate or by any officer of police not below the rank of Inspector or by any officer of the Central Excise Collectorate not below the rank of Sub-Inspector or by any person who is the Assistant Collector or other superior officer of the Collectorate may at any time specially empower in this behalf, or by any officer of the Central Excise Collectorate of a Province other than Madras who may be especially empowered in this behalf by the Central Board of Revenue or by any officer of the Mysore State empowered in this behalf by the Durban in respect of factories or works situated within that State, and due facilities for examining the accounts as well as for checking the stock of salt received, expended and in hand, shall be afforded by the manufacturer and all other persons employed by him.

7. Save with the written permission of the Assistant Collector or in unavoidable circumstances such as the occurrence of a fire or the like, salt shall be removed from such store-rooms only for use for the purpose and in the manner specified in the manufacturer's application. All salt so removed for use shall be at once so used. All spent lye or other useless refuse containing salt shall be effectually destroyed on or near the premises in such manner as the Assistant Collector may direct.

8. The Central Government reserve to themselves power to impose a preventive establishment on the manufacturer at his expense whenever the Collector considers it necessary for the protection of the revenue to do so.

9. In case of any infraction of these rules, the permission to use salt duty-free in the manufacture will be liable to be withdrawn and all salt remaining in store will be liable to be destroyed under the orders of the Assistant Collector. No refund will be made on account of the price of salt so destroyed.

10. If any salt issued under these rules is not duly accounted for as having been used for the purpose and in the manner stated in the manufacturer's application, the manufacturer shall, on demand by the Assistant Collector, be bound immediately to pay to Central Government duty on all salt so unaccounted for at double the rate of duty on salt for the time leviable under the Central Excise and Salt Act, 1944 (hereinafter referred to as the Act), or other law for the time being in force and relating to the salt revenue.

The above condition does not prejudice the liability of the licensee to prosecution under Section 9 of the Act or other law for the time being in force relating to the salt revenue, if it shall appear that such salt so unaccounted for has been otherwise used by him or with his consent or connivance so as to defraud the salt revenue.

11. After the Assistant Collector has once given permission for the duty-free issue of salt to any manufacturer, it shall not be necessary so long as that permission remains unrevoked for the manufacturer to apply to the Assistant Collector for the issue of such further supplies as he may require in the conduct of his business for use for the same purpose and in the same manner in the same official year. It will be sufficient for him to apply to the officer in charge of the

factory or depot from which the first issue was made. The manufacturer shall be bound to remove and keep the salt issued on the second and all subsequent occasions in bags bearing a distinctive mark differing from that borne by the bags in which the salt issued on the first or any previous occasion was issued and kept, and not to use any of it until the whole of all previous issues has been expended and entered as expended in his account.

12. The permission to remove salt duty-free under these rules may at any time be cancelled and withdrawn by orders of the Collector with or cause being assigned, in which case the manufacturer shall be bound to deliver up to the Assistant Collector or to such person as he may, in writing, appoint to receive the same, all salt removed under these rules which may then remain unexpended in the custody of the manufacturer who shall be entitled to payment therefor at the rate at which he paid for it but to no other payment or compensation whatever.

13. Any person who may be dissatisfied with an order passed by the Assistant Collector under these rules may appeal to the Collector and any person dissatisfied with an order passed by the Collector under these rules may appeal to the Central Board of Revenue.

FORM I

Form of Bond (*see* Rule 2).

Know all men by these presents that we of and of are jointly and severally bound to the Governor General of India in Council in the sum of Government Rupees* to be paid to the said Governor General in Council for which payment we jointly and severally bind ourselves and our legal representatives

Dated this day of 19 ..

Witness to the signature of the said, (Sd.)

Witness to the signature of the said, (Sd.)

The above bounden (hereinafter called the manufacturer) having been permitted to remove from time to time from the salt factory or depot at such quantities of salt as he may require not exceeding Indian maunds at a time per month for use in his manufactory of at for the purpose and in the manner below stated without payment of duty under the rules, of which a copy is hereunto annexed.

Purpose of use.

Manner of use.

The condition of this obligation is that if the manufacturer and his legal representatives and his or their servants employed in the said manufactory shall at all times well and truly observe and keep the conditions of the said rules, then this bond shall be void, otherwise the same shall remain in full force.

Signed on behalf of the said Governor General in Council by Collector of Central Excise, Madras on the day of 19 ..

Collector of Central Excise.

Witness to the signature of the Collector of Central Excise.

Note.—After the establishment of the Federation of India the 'words in Council', wherever they occur, shall be omitted.

*Here enter double duty on the salt allowed to be removed.

FORM II.

Form of agreement (*see* Rule 6).

I of being appointed by to be manager of his manufactory at for use in which for the purpose and in the manner below set forth the duty free-issue of salt has been permitted by the Assistant Collector of Central Excise Division, under the Rules, a copy whereof is hereunto appended do hereby declare that I will faithfully observe and keep all the conditions of the said Rules and will, so far as income lies cause all servants employed under my orders in the said manufactory so to observe and keep them.

Purpose of use ;

Manner of use ;

I understand that in the event of any portion of the said salt being used otherwise than for the said purpose or in the said manner, so as to defraud the public revenue, by me or with my connivance or consent, I shall be liable to fine and imprisonment under Section 9 of the Central Excises and Salt Act, 1944, (I of 1944) or other law for the time being in force and relating to the Salt Revenue.

Signed on the day of 19 .. in the presence of

Daily account prescribed under Rule 6 of the receipts and expenditure of salt issued duty-free for use in manufacturers at the.....Manufactory at.....

Date	RECEIPTS				EXPENDITURE			Balance in hand.	Signature of the manufacturer, or his Manager, or the Officer-in-Charge.	Remarks by the Inspecting Officer.
	Date of bond under which received.	Quantity received.	Factory from which received.	Total received.	Propose for and the manner in which used.	Quantity received.	Total used.			
1	2	3	4	5	6	7	8	9	10	11
		1 Md.		1 Md.		1 Md. S. T.	1 md. S. T.	1 Md. S. T.		

N.B.— This account should be closed and the balance of salt in hand be carried forward to a new account on the first day of April in each year.

SALT

No. 6, dated the 22nd September 1945.—In exercise of the powers conferred by section 37 of the Central Excises and Salt Act, 1944 (I of 1944) the Central Government is pleased to direct that the following amendments shall be made in the Sind Salt Rules, 1940, published with the Resolution of the Government of Sind in Revenue Department No. 223-B, dated the 15th January 1940, namely :—

In the said Rules—

(i) For Rule 8 the following shall be substituted namely :—

“8. The hours of work during which salt shall be issued for removal shall be from 8-0 a.m. to 6-0 p.m., excluding a period of recess from 1-0 p.m. to 3-0 p.m. When, however, during the said period of recess salt is being removed from a salt works by sea under the Salt Transport and Export Rules, 1943 and the trader so desires, arrangements for work during the period will be made only when the steamer taking cargo is in harbour. Issues of salt for removal under the Salt Transport and Export Rules, 1943 may, however, be allowed during night on payment of fees prescribed in rule 12 but no removals of such salt shall be allowed from the salt works at night, except by sea. At Dilyar and Saran the hours of work may be varied by the Superintendent to suit the local conditions, with the approval of the Revenue Commissioner for Sind.”

(ii) In rule 9, for the words and figures “Transport and Export Rules, 1933” the words and figures “Salt Transport and Export Rules, 1943” shall be substituted.

(iii) The following shall be inserted as Rule 12-A namely :—

“12-A. When salt is removed in bond from a salt works by land for shipment at the port of export, the transporter or exporter shall pay a fee of annas three per hour or Part thereof for every escort posted by the Superintendent. The fee so recovered shall, in the first instance, be credited to Government and later drawn on a bill and paid to the guard (naiks and peons) as overtime allowance according to the period of extra work put in by him.

Note.—The fee shall be payable from the time the escort is placed at the disposal of the applicant to the time he is brought back to the works by him. The applicant shall make arrangements for the escort's transport to and fro at his (applicant's) cost.”

SALT

No. 7, dated the 13th October, 1945.—In exercise of the powers conferred by clause (xiv) sub-section (2) of section 37 of the Central Excises and Salt Act, 1944 (I of 1944) the Central Government is pleased to direct that the following amendment shall be made in the rules published with the notification of the Government of India in the Finance Department (Central Revenues) No. 4 Salt, dated the 26th May 1945, namely :—

For Form III of the forms annexed to the said rules, the following form shall be substituted namely :—

"FORM III.
(See Rule 6)

Daily account of receipts and consumption of salt in the manufacture of.....
.....at the manufactory at.....

Date.	Date and No. of bond.	Open- ing Bal- ance.	Quantity received.	Factory from which received.	Total in Stock	Quan- tity issued.	Closing Balance.	Quantity of manufac- tured.	Signature of Manufac- turer or Manager.	Remarks.
1	2	3	4	5	6	7	8	9	10	11
		1 Mds. S. T.	1 Md.		1 Md. S. T.	1 Md. S. T.	1 Md. S. T.			

N.B.—This account should be closed and the balance of salt in hand be carried forward to a new account on the first day of April in each year.

SALT

No. 8, dated the 3rd November, 1945.—In exercise of the powers conferred by section 37 of the Central Excises and Salt Act, 1944 (1 of 1944) the Central Government is pleased to direct that the following further amendments shall be made in the rules published with the notification of the Government of India in the Finance Department (Central Revenues), No. 1-Salt, dated the 12th January 1935, as amended from time to time, namely :—

1. In the said Rules—

1. In rule 1, after the words "for each such factory or words" the words "even if they are situated in the same premises" shall be inserted.

2. After rule 1, the following rule shall be inserted, namely—

"1-A. The Central Government or the Collector, while sanctioning an application, may, if necessary, fix the maximum quantity of salt upto which refund of duty may be allowed in a year. The sanctioning authority may fix different maximum limits for different factories and works run by a manufacturer. The limit so fixed may be varied from time to time by the sanctioning authority".

3. Rule 3 shall be renumbered as sub-rule (1) of that rule and in sub-rule (1) as so renumbered—

(i) after the words "salt works" the words "saltpetre refinery, Government golah, Government" shall be inserted;

(ii) for the words "supported by thereturned to the manufacturer" the words "supported as the case may be by the (1) receipt in form A of the firm from which salt has been purchased; (2) salt removal permit in form A-I in the case of salt obtained from private salt works or saltpetre refineries (3) certificate in form A-II in the case of salt obtained from Government salt works or depots or (4) customs receipt or a copy of the import bill of entry showing that customs duty has been paid in the case of imported salt removed from Government golahs. These documents shall not be returned to the manufacturer" shall be substituted; and

(iii) after sub-rule (1) as so renumbered the following shall be inserted, namely —

"(2) No refund of duty shall be allowed unless an application for such refund reaches the Assistant Collector within six months of the close of the relevant half year."

4. Rule 7 shall be renumbered as sub-rule (1) of that rule and after sub-rule (1) as so renumbered the following shall be inserted, namely—

"(2) Each consignment of salt procured by the manufacturer under this concession shall be stored separately in the store-room and distinctively marked, and the manufacturer shall not use any salt from any such consignment until all the salt previously procured has been expended and entered as expended in his accounts".

5. In rule 8—

(I) to sub-rule (2) the following shall be added namely—

"provided that when the store keeper is away from the premises of the factory or works he shall leave the key with the Manager."

(II) after sub-rule (2) the following shall be added as sub-rule (3), namely—

“(3) The key of the store-room shall be available at the premises of the factory or works to facilitate inspection of the salt godown by inspecting officers, at any time between the hours of sunrise and sunset” failing which the manufacturer shall be liable to a fine not exceeding rupees one hundred for each occasion the inspecting officer has to return without being able to inspect the godown”.

6. In rule 10, after the words “in Form B” the words “appended to these rules” shall be inserted.

7. To rule 11, the following shall be added at the end, namely—

“The Collector may, however, permit the manufacturer to stock Khewra rock-salt in bulk”

II. In the forms appended to the said Rules—

1. in form A after the words “Receipt” the words “in case of salt purchased from a firm of approved dealers” shall be inserted; and

2. after form A, the following forms shall be added, namely—

“FORM A-I.

Form of permit in respect of salt obtained from private salt works or saltpetre refineries.

(Rule 3)

Mr./Messrs. _____ concessionaire(s) is/are permitted to remove
_____ maunds of salt from _____ Salt works/saltpetre
or factory/refinery for use in his/their factory at _____
Date _____ Inspector

FORM A-II

Form of Certificate in respect of salt obtained from Government salt works or depots.

(Rule 3)

Certified that.....wagon(s) (.....maunds) of
salt has/have been cleared on.....against indent
No.....dated.....placed by Mr./Messrs....
.....concessionaire(s) at the.....treasury.
_____ Officer Incharge,
Date _____ of the.....Depot/Works.”

SALT

No. 10, dated the 3rd November, 1945.—In exercise of the powers conferred by section 37 of the Central Excises and Salt Act, 1944 (I of 1944), the Central Government is pleased to direct that the following further amendments shall be made in the rules published with the notification of the Government of India in the Finance Department (Central Revenues) No. 5-Salt, dated the 4th February 1928, as amended from time to time, namely:—

I. In the said Rules—

1. To rule 2, the following shall be added, namely—

“even if they are situated in the same premises.”

2. After rule 2, the following shall be inserted, namely—

“2-A. The Collector, while sanctioning an application, may, if he considers necessary, fix the maximum quantity of salt up to which refund of duty may be allowed in a year. He may fix different maximum limits for different factories and works run by a manufacturer. The limit so fixed may be varied from time to time by the Collector.”

3. In rule 4—

(i) for sub-rule (1) the following shall be substituted, namely—

“(1) The concession shall only be allowed on salt used on and from the date of deposit of the inspection fee into the Treasury. After making this payment the manufacturer shall in the first instance provide himself with dutypaid salt for use in the process mentioned in his application under rule 8, by purchase from a salt works or a firm of salt dealers approved by the Collector, and shall at the close of each quarter submit to the Assistant Collector an application for a refund of duty on the salt used which should be supported by the Salt Removal Permit in Form A in the case of salt obtained from a salt works or the receipt in Form B of the firm from which salt has been purchased. The forms A and B are appended to these rules.”

(ii) after sub-rule (4) the following shall be inserted, namely—

“(5) No refund of duty shall be allowed unless an application for such refund reaches the Assistant Collector within three months of the close of the relevant quarter.”

4. After sub-rule (2) of rule 5 the following shall be inserted, namely—

“(3) Each consignment of salt procured by the manufacturer under this concession shall be stored separately in the store-room and distinctively marked, and the manufacturer shall not use any salt from any such consignment until all the salt previously procured has been expended and entered as expended in his accounts”.

5. In rule 6—

(i) to sub-rule (2), the following shall be added, namely—

“provided that when the store-keeper is away from the premises of the factory or works he shall leave the key with the Manager of the factory”; and

(ii) after sub-rule (2) the following shall be inserted, namely—

“(3) The key of the store-room shall be available at the premises of the factory or works to facilitate inspection of the salt godown by inspecting officers, at any time between the hours of sunrise and sunset, failing which the manufacturer shall be liable to a fine not exceeding rupees one hundred for each occasion the inspecting officer has to return without being able to inspect the godown.”

6. In rule 9, for the words “the form” the word and letter “Form C” shall be substituted.

II. (i) in the form appended to the said Rules, the word and letter “FORM C” shall be inserted above the words “Salt Register”; and

(ii) before the said form, the following forms shall be inserted, namely—

“FORM A

Form of permit in respect of salt obtained from private salt works.

(Rule 4)

Mr./Messrs.....concessionaire(s) is/are permitted to remove.....maunds of salt from..... salt works or factory for use in his/their factory at.....

Date

Inspector.

FORM B

Form of receipt in respect of salt purchased from a firm of approved dealers.

(Rule 4)

Received from the.....sum of Rs.....in payment for.....maunds of full duty-paid salt purchased for use in his/their factory at.....

Date

Signature of Approved dealer.”

SALT

No. 11, dated the 15th December, 1945.—In exercise of the powers conferred by clause (v) of sub-section (2) of section 37 of the Central Excises and Salt, Act 1944 (I of 1944), the Central Government is pleased to direct that the following further amendments shall be made in the rules issued with the Notification No. 561 dated the 18th December 1899, under clause (b) of Section 85-A of the Madras Salt Act, 1899 (Madras Act IV of 1899), namely:—

(I) In section B of the said Rules—

(a) in rule 7, for ‘5 P.M.’ substitute ‘4 P.M.’; and

(b) in rule 8, for the figure and words ‘8 A.M.’ and will continue until ‘1 P.M.’ substitute ‘7 A.M. and will continue until noon’.

(II) In rule 3 (VIII) of section C of the Said Rules, for ‘6 P.M.’ substitute ‘5 P.M.’.

THE HON. MR. A. E. PORTER (Home Secretary): Sir, I lay on the table copies of the following Declarations of Exemption issued by the Government of India in the Home Department, under section 6 of the Registration of Foreigners Act, 1939:—

(1) No. 1/10/45-Poll (E), dated the 20th March, 1945;

(2) No. 1/13/45-Poll (E), dated the 20th March, 1945;

(3) No. 1/18/45-Poll (E), dated the 26th April, 1945;

(4) No. 1/18/45-Poll (E), dated the 30th May, 1945;

(5) No. D. 41/45-Poll (E), dated the 23rd October, 1945; and

(6) No. D. 67/45-Poll (E), dated the 8th November, 1945.

DECLARATION OF EXEMPTION.

No. 1/10/45-Poll. (E.), dated the 20th March, 1945.—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939) the Central Government is pleased to declare that the provision of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors who are not foreigners, shall not apply to, or in relation to Mr. Claude Marcus Cannon, U. S. citizen, for so long as he is employed as Assistant Business Manager, United States Foreign Economic Administration in India.

DECLARATION OF EXEMPTION.

No. 1/13/45-Poll. (E.), dated the 20th March, 1945.—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors who are not foreigners, shall not apply to, or in relation to Miss Janet D. Corwin, a U.S. national, for so long as she is employed with the Regional Director for the Far East, the Rockefeller Foundation, Delhi.

DECLARATION OF EXEMPTION.

No. 1/19/45-Poll. (E.), dated the 25th April 1945.—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors who are not foreigners, shall not apply to, or in relation to—

- (i) Rev. Father Michael D. Lyons, an employee of the U. S. A. Foreign Economic Administration.
 - (ii) Mr. Ernest Leavellyn Curry, Port Engineer, United States War Shipping Administration.
 - (iii) Mr. Jasper R. Marlowe, United States Foreign Economic Administration, China Mission, New Delhi.
- for so long as they remain in their present posts.

DECLARATION OF EXEMPTION.

No. 1/18/45-Poll. (E.), dated the 30th May, 1945.—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act, 1939 (XVI of 1939), the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors who are not foreigners, shall not apply to, or in relation to

- (i) Mr. James K. Brinker Port Operations Assistant, Calcutta, an employee of the United States War Shipping Administration.
 - (ii) Mr. Horatio B. Hawkins, United States Foreign Economic Administration, New Delhi.
 - (iii) Mr. John Martin Cates Recruitment and Manning Representative of United States War Shipping Administration in Bombay,
- for so long as they remain in their present posts.

DECLARATION OF EXEMPTION.

No. D. 41/45-Poll. (E.), dated the 23rd October, 1945.—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act 1939, (XVI of 1939) the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors who are not foreigners shall not apply to or in relation to Mr. Morton S. Cressy, United States citizen, for so long as he remains in India in connection with the work of advising the Government of India on the development of Chemical Industries.

DECLARATION OF EXEMPTION.

No. D. 167/45-Poll. (E.) (U. S.), dated the 8th November, 1945.—In exercise of the powers conferred by section 6 of the Registration of Foreigners Act 1939 (XVI of 1939) the Central Government is pleased to declare that the provisions of the Registration of Foreigners Rules, 1939, except rule 8 and such of the provisions of rules 4, 14, 15 and 16 as apply to, or in relation to, passengers and visitors who are not foreigners shall not apply to or in relation to Mr. C. V., C.O. E. S. who is in India in connection with the work of advising the Government of India on the post-war development of the machinery and engineering industries.

THE HON. SIR MAHOMED USMAN (Posts and Air Member) : Sir, I lay on the table copies of the Posts and Air Department Notification No. 26-V(14)/44, dated the 6th December, 1944, relating to an amendment of the Indian Aircraft Rules, 1937 under sub-section (3) of section 5 of the Indian Aircraft Act, 1934.

Copy of Notification No. 26-V (14)/44, dated, New Delhi, the 6th December 1944, from Government of India, Department of Posts and Air to the Publisher, Gazette of India, and copy forwarded to the Director of Civil Aviation in India and War Department.

In exercise of the powers conferred by section 5 and sub-section (2) of section 8 of the Indian Aircraft Act, 1934 (XXII of 1934), the Central Government is pleased to direct that the following further amendment shall be made in the Indian Aircraft Rules, 1937, namely :—

After Part XII of the said rules, the following shall be inserted, namely :—

“ Part XII-A—Emergency Provisions.

133-A. The Joint Flying Control Regulations for the Royal Air Force and the United States Army Air Forces, as may from time to time be prescribed by the South East Asia Air Command, shall, with effect from the 1st December, 1944, apply to all aircraft for the time being in or over British India and shall have effect notwithstanding anything inconsistent therewith contained in the preceding Parts of these Rules.”

THE HON. SIR MAHOMED USMAN (Posts and Air Member) : Sir, I lay on the table* copies of the Posts and Air Department Notification No. 11-M (A) 1/46, dated the 23rd January, 1946, relating to certain further amendments to the Indian Aircraft Rules, 1937, under sub-section (3) of section 5 of the Indian Aircraft Act, 1934.

INFORMATION PROMISED IN REPLY TO QUESTIONS LAID ON THE TABLE

THE HON. SIR MAHOMED USMAN (Posts and Air Member) : Sir, I lay on the table the information promised in reply to part (b) of the short notice question No. 146, asked on the 28th August, 1934.

Question No. 146

Statement showing the objects on which Aviation share of the Petrol Tax Fund was expended during the year 1944-45.

Objects.	Expenditure. (Rupees.)
(i) Clubs--	
Grants-in-aid to Flying Clubs in India	77,059
Financial Assistance to Indian Gliding Association	3,000
(ii) Experimental—	
Aircraft—	
Operation and maintenance of the Wind Tunnel at the Indian Institute of Science, Bangalore, for carrying on certain tests on aircraft	4,775
Miscellaneous Items.	217
Total	85,051

THE HON. SIR JOGENDRA SINGH (Education, Health and Agriculture Member) : Sir, I lay on the table the information promised in reply to question No. 59, asked on the 22nd February, 1945.

Question No. 59

DEATHS OF DESTITUTES IN CALCUTTA

The number of persons cremated and buried at the expense of the Corporation of Calcutta in 1943 was 15,657.

*Not printed, copies are placed in the Library of the House.

THE HON. SIR JOGENDRA SINGH (Education, Health and Agriculture Member) : Sir, I lay on the table the information promised in reply to questions Nos. 265 to 268, asked on the 28th March, 1945.

Question No. 265

PRESCRIBED QUALIFICATIONS, EMOLUMENTS, ETC., OF PRINCIPALS AND TEACHERS OF EDUCATIONAL INSTITUTIONS IN DELHI PROVINCE.

(a) Yes.

(b) In the case of a Teacher, highest qualification in the subject is essential while in the case of appointment of a Principal, administrative experience is the main consideration.

Question No. 266

PRESCRIBED QUALIFICATIONS, EMOLUMENTS, ETC., OF PRINCIPALS AND TEACHERS OF EDUCATIONAL INSTITUTIONS IN DELHI PROVINCE.

There are nine Higher Secondary Schools in the Delhi Province in which the post of Principal is held by an ordinary graduate. All the nine gentlemen were Headmasters of the High Schools before reorganisation and were considered qualified to continue as Principals on account of their long administrative experience.

The names of the schools are as follows :—

1. Anglo-Arabic Higher Secondary School, Ajmere Gate, Delhi.
2. Birla Higher Secondary School, Birla Line, Delhi.
3. Commercial Higher Secondary School, Delhi.
4. Harcourt Butler Higher Secondary School, New Delhi.
5. M. B. Girls' Higher Secondary School, New Delhi.
6. Modern Higher Secondary School, New Delhi.
7. Queen Mary's Higher Secondary School, Delhi.
8. Ramjas Higher Secondary School, No. 1, Delhi.
9. Ramjas Higher Secondary School, No. 2, New Delhi.

Question No. 267.

PRESCRIBED QUALIFICATIONS, EMOLUMENTS, ETC., OF PRINCIPALS AND TEACHERS OF EDUCATIONAL INSTITUTIONS IN DELHI PROVINCE.

Yes; the grade for graduates is Rs. 80-5-120-8-200 and Masters of Arts are given a starting salary of Rs. 120 in this grade irrespective of the class they teach.

Question No. 268

PRESCRIBED QUALIFICATIONS, EMOLUMENTS, ETC., OF PRINCIPALS AND TEACHERS OF EDUCATIONAL INSTITUTIONS IN DELHI PROVINCE.

Yes, there are seven persons possessing Master's Degrees in the subject other than the subjects which they are permitted to teach to Class XI. A list of the Schools in which they teach and the subjects they teach is as follows :—

- | | |
|--|---|
| 1. Anglo-Arabic Higher Secondary School, Daryaganj, Delhi . | Principal, shares teaching of English. |
| 2. D. A. V. Higher Secondary School, Delhi | Do. |
| 3. D. A. V. Higher Secondary School, New Delhi | Do. |
| 4. M. B. Higher Secondary School, New Delhi | Do. |
| 5. Anglo-Arabic Higher Secondary School, Ajmere Gate, Delhi | Assistant Teacher shares teaching of English. |
| 6. Raisina Bengali Higher Secondary School, New Delhi. | Do. |
| 7. Ramjas Higher Secondary School, No. 1, Delhi | Do. |

STATEMENTS, ETC., LAID ON THE TABLE

THE HON. SIR JOGENDRA SINGH (Education, Health and Agriculture Member) : Sir, I lay on the table copies of further amendments to the notification of the Government of India in the Department of Education, Health and Lands, No. F. 50-13(20)/39-A, dated the 20th November, published with the Department of Education, Health and Lands notification No. F. 16-1/45-A, dated the 16th April, 1945.

AGRICULTURE.

No. F. 16-1/45-A., dated the 16th April, 1945.—In exercise of the powers conferred by sections 4A and 4D of the Destructive Insects and Pests Act, 1914 (II of 1914), the Central Government is pleased to direct that, with effect from the 1st June 1945, the following further amendments shall be made in the notification of the Government of India in the Department of Education, Health and Land, No. F.-50-13 (20)/39-A, dated the 20th November, 1940, namely:—

I. In the preamble to the said notification, and in rule 1 of the said Rules, after the words "North West Frontier Province", the words "the Province of Madras" shall be inserted.

II. In the Note below the Schedule annexed to the said rules, clause (d) shall be re-lettered as clause (e) and before clause (e) as so re-lettered, the following clause shall be inserted namely:—

"(d) in the Province of Madras, by the Entomologist to Government Madras, Coimbatore, or such other officer as may be authorised by the Provincial Government in this behalf".

Copy forwarded to the—

Director, Imperial Agricultural Research Institute, Commerce Department.

Central Board of Revenues.

Secretary, Imperial Council of Agricultural Research, for information and publication in the journals of the I. C. A. R.

Director General, Commercial Intelligence and Statistics for publication in the Indian Trade Journal.

Consul General for the United States of America, Calcutta.

Legislative Department, with 8 spare copies, with the request that they may, in accordance with the provisions of section 4 D of the Destructive Insects and Pests Act, 1914, be placed on the table of the Council of State.

Legislative Assembly Department, with 8 spare copies with the request that they may, in accordance with the provisions of section 4D of the Destructive Insects and Pests Act, 1914, be placed on the table of the Legislative Assembly.

No. F.-16-1/45-A

Copy forwarded to the Railway Department (Railway Board) in continuation of the Department endorsement No. F. 15-21/41-A., dated the 12th May 1942, with the request that necessary orders to the railway officials concerned, for enforcing the rules, with effect from the 1st June 1945 in so far as transport by rail is concerned, may kindly be issued immediately, under section 4B of the Destructive Insects and Pests Act, 1914, railway officials at the forwarding stations are empowered to refuse to accept for carriage any consignments which do not fulfil the requirements of these rules.

No. F.-16-1/45-A

Copy forwarded to the Posts and Air Department with the request that this may be brought to the notice of the Posts and Telegraphs Department and the Director of Civil Aviation.

THE HON. MR. H. C. PRIOR (Labour Secretary): Sir, I lay on the table copies* of the Summary of proceedings of the fifth meeting of the Standing Labour Committee held at New Delhi on the 27th June, 1944.

THE HON. MR. H. C. PRIOR (Labour Secretary): Sir, I lay on the table copies* of the Summary of proceedings of the Indian Labour Conference held at New Delhi on the 27th and 28th October, 1944.

THE HON. MR. H. C. PRIOR (Labour Secretary): Sir, I lay on the table copies* of the Summary of proceedings of the sixth meeting of the Standing Labour Committee held at New Delhi on the 17th March, 1945.

THE HON. MR. H. C. PRIOR (Labour Secretary): Sir, I lay on the table copies* of the Instrument for the amendment of the Constitution of the International Labour Organisation together with copies* of the statement of the action proposed to be taken thereon.

*Not printed, copies are placed in the Library of the House.

INFORMATION PROMISED IN REPLY TO QUESTION LAID ON THE TABLE

THE HON. SIR ARTHUR GRIFFIN (Chief Commissioner of Railways : Sir, I lay on the table the information promised in reply to question No. 213, asked on the 27th March, 1945.

Question No. 213

NUMBER OF CANDIDATES ADMITTED TO THE RAILWAY TRAINING SCHOOL, JAMALPUR.

(a) It is presumed that the Honourable Member refers to Apprentice Mechanics. The following is a statement showing the communal composition of trainees of this category recruited during the years 1940 to 1944 :—

Communities	1940	1941	1942	1943	1944
1. Anglo-Indians	15	18	19	20	19
2. Sikhs . . . . .	..	..	..	..	1
3. Indian Christians . . . . .	..	..	..	1	..
4. Parsees . . . . .	..	..	1	..	..
5. Muslims	5	6	7	8	4
6. Caste Hindus . . . . .	..	..	..	..	1
7 Hindus	7	10	10	12	23
Total	27	34	37	41	48

Separate figures for Scheduled Castes are not available, as no percentage of vacancies was reserved for members of Scheduled Castes up to 1944.

(b) No. Candidates obtaining a minimum of 50 per cent. of the maximum marks in the written examination are considered eligible for interview. With a view, however, to maintaining communal proportions, this limit is reduced in favour of communities for whom percentage reservations in the matter of appointments exist, in order to obtain the required number of persons belonging to such communities.

(c) Government regret they are unable to comply with the Hon. Member's request.

MESSAGES FROM HIS EXCELLENCY THE GOVERNOR GENERAL

THE HON. THE PRESIDENT: Hon. Members, I have four messages from His Excellency the Governor General.

RAILWAY BUDGET

"For the purposes of sub-section (1) of section 67A of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, and in pursuance of rule 43 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Archibald Percival, Viscount Wavell, hereby appoint Monday, the 18th February, 1946, for the presentation to the Council of State, and Thursday, the 21st February, 1946, for the General Discussion in the Council of State, of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of Railways.

NEW DELHI ;
The 29th January, 1946.

WAVELL,
Viceroy and Governor General."

GENERAL BUDGET

"For the purposes of sub-section 1 of Section 67A of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, and in pursuance of rule 43 of the Indian Legislative Rules and of Standing Order 70 of the Council of State Standing Orders, I, Archibald Percival, Viscount Wavell, hereby appoint Thursday, the 28th February, 1946, at 5 P.M. for the presentation to the Council of State, and Wednesday, the 6th March, 1946, for the General Discussion in the Council of State, of the statement of the estimated annual expenditure and revenue of the Governor General in Council in respect of subjects other than Railways.

NEW DELHI ;
The 29th January, 1946.

WAVELL,
Viceroy and Governor General."

"In pursuance of the provisions of sub-section (3) of section 67A as set out in the Ninth Schedule to the Government of India Act, 1935, I hereby direct that the heads of expenditure specified in that sub-section, other than those specified in clause (v) thereof, shall be open to discussion by the Council of State when the Budget for the year 1946-47 is under consideration.

NEW DELHI ;
The 23rd January, 1946.

WAVELL,
Viceroy and Governor General."

PANEL OF CHAIRMEN

In pursuance of the provisions of sub-section (2) of section 63A of the Government of India Act, as set out in the Ninth Schedule to the Government of India Act, 1935, I, Archibald Percival, Viscount Wavell, hereby nominate the following Members of the Council of State to be on the Panel of Chairmen of the said Council of State :

In the first place, the Hon'ble Sir David Devadoss ; in the second place, the Hon'ble Mr. Manookji Nadirshaw Dalal ; in the third place, the Hon'ble Mr. V. V. Kalikar ; and lastly the Hon'ble Saiyad Mohamed Padshah Sahib Bahadur.

NEW DELHI ;
The 25th January, 1946.

WAVELL,
Viceroy and Governor General."

COMMITTEE ON PETITIONS

THE HON. THE PRESIDENT : Under Standing Order 76 of the Council of State Standing Orders, I am required at the commencement of each session to constitute a Committee on Petitions consisting of the Chairman and four members. The following members at my request kindly consented to preside over and serve on the Committee. I accordingly have much pleasure in nominating as Chairman of the Committee the Hon. Raja Charanjit Singh and as members, the Hon. Pandit H. N. Kunzru, the Hon. Sir K. Ramunni Menon, the Hon. Haji Syed Muhammad Husain, and the Hon. Mr. M. Ct. M. Chidambaram Chettyar.

DEATH OF PRESIDENT ROOSEVELT.

THE HON. THE PRESIDENT : Hon. Members, you will perhaps remember that at the last Session we heard the sad news of the death of President Roosevelt of America. In this Council we expressed regret at his death and several members joined in paying tribute on that occasion. At the request of Hon. Members I had addressed Washington in this matter forwarding a copy of your Resolution. I have received a reply to that Resolution which I ought to read to you. It runs :—

“COPY

DEPARTMENT OF STATE,
WASHINGTON,
May, 19th, 1945.

DEAR MR. AHMAD,

I have been asked by Mr. Allen to acknowledge receipt of your letter of May 11, 1945, with which you enclosed a transcript of the proceedings in the Council of State on April 14, 1945, in connection with the death of President Roosevelt.

The Department would be grateful if the Agency General would convey to the Council of State the sincere appreciation of this Government for the kind remarks made on that occasion and for the generous action of the Council in adjourning out of respect for the late President.

Sincerely, yours,

(Sd.) LAMPTON BERRY,

Acting Chief,
Division of Middle Eastern Affairs.

Mr. M. Ahmad,
Second Secretary,
Indian Agency General,
2833 Sixteenth Street, N. W.
Washington, D. C."

CONGRATULATIONS TO RECIPIENTS OF HONOURS

THE HON. THE PRESIDENT: Hon. Members, you are aware that it has been a convention in this House to congratulate on behalf of the Council and also on my own behalf Hon. Members who have been fortunate in receiving honours. It is necessary to allude to this fact on this occasion because about 10 new members have joined to-day. I shall now proceed to refer to the recipients of honours.

You must have read with great pleasure that our old friend, the Finance Member of India, who left us only the other day, has obtained his G. C. I. E. You are all fully aware of the great services rendered by the late Finance Member and it is not necessary for me to dilate any further on this occasion. He was a great financier. Unfortunately during 4 years of his service he was confronted with this terrible war. His ability and zeals were available in an abundant measure in the performance of his duties when we were engaged in the great war which has now successfully ended.

Among the recipients of K. C. S. I. first comes the Leader of this House, the Hon. Sir Mahomed Usman. You are all aware of the excellent service he has rendered during the last four years as Leader of this House. His record of the great services he has rendered to the Madras Presidency is known to many of you, mostly the Madras Members of this Council. After rendering distinguished and meritorious services in the Madras Presidency he was transplanted to Delhi and here he has distinguished himself further by his activities of various kinds. I have no right whatever to speak about the work of his Department because I know nothing of that work but so far as his activities in the Council are concerned, and the general work which he has done as member for the last four years is concerned, I think he is entitled not only to our admiration but also to our congratulations. He is always straight forward and outspoken. He has never minced his words in this House and he has always expressed himself on every point and given his views with frankness and candour. The honour which he has received is a well-deserved honour in his case and I am sure you appreciate that it is an honour which was well conferred.

THE HON. SIR MAHOMED USMAN (Leader of the House): Thank you, Sir.

THE HON. THE PRESIDENT: The other Member is Sir Olaf Caroe. He was for a very short time in our House as you will remember. He was connected with the External Affairs Department of the Government of India and he came to our House and stayed here for a brief period, but during that time we were all impressed with his charming manners, his great ability and the pithy and concise way in which he used to put his case before this Council.

There are four Members of this House who got the distinction of K. C. I. E. in the last Honours List. The name of Sir Satyendra Nath Roy is too familiar to all of you. He is one of the cleverest Indian civilians as you must have all realised and he did his work with remarkable ability in this House. He was so hardworking that his health broke down and he had to take a long leave and is now in England. We are very glad that he is coming back to this country to occupy an important position very shortly and we shall have an opportunity of meeting him and renewing our acquaintance.

The next recipient of the honour of K. C. I. E. is Sir Eric Conran-Smith who was also in this Council for a long time. I think for a period of nearly 9 years and you will all appreciate that his belated honour, which has been conferred on him, was excellently deserved. (*Applause.*) He is a charming man who got on very well with the Indian Members of this House and the manner in which he performed his duties have extorted our admiration for him.

Sir Robert Hutchings and Sir Gurunath Bewoor have both been the recipients of K. C. I. E. They both richly deserved this distinction. Sir Gurunath Bewoor was for some years in this House while Mr. Hutchings was in this House for a very short time but he was a very energetic Secretary of the Food Department who rendered very valuable work not only to the Government of India but to the country at large.

But the honour which claims your special attention is the honour conferred on Sir Chandulal Trivedi who got the double honour. Three days before the Honours List was published it was announced that on account of his appointment to the gubernatorial office he was given a K. C. S. I. and in the Honours List his name

appeared as a Knight. He fully deserved the double honour and we are very glad to find that in the history of the Government of India for the last quarter of a century an Indian has for the second time been appointed as Governor of a Province. We all hope that his gubernatorial office will be a great success and that when he lays down the reins of his exalted office he will leave behind him a great name as a good Governor.

You are fully aware that Sir John Sargent, the Educational Adviser to the Government of India, was in this House for a very short time.

THE HON. MR. M. THIRUMALA ROW (Madras: Non-Muhammadian): I protest against the time of the House being taken up in reading a catalogue of all the title-holders who have nothing to do with this House. We do not attach such importance to their so-called services—

THE HON. THE PRESIDENT: You took a similar objection last year when you joined this Council. Will you please sit down. When the President is addressing the House a Member ought to sit down? You took a similar objection last year and I told you that a convention had grown in this House for the last 25 years to congratulate our bretheren who received honours at the hands of Government. Your opinion may be different but the opinion shared generally by the Council is that it is a right thing to congratulate them.

THE HON. MR. M. THIRUMALA ROW: Are we to congratulate people who have never been members of this House? I don't think Sir John Sargent was a member of this House.

SOME HON. MEMBERS: He was.

THE HON. MR. M. THIRUMALA ROW: He may have been for a time but he has nothing to do with this House now and we dissociate ourselves from the remarks which you have been making about congratulating these people.

THE HON. THE PRESIDENT: That may be your opinion.

THE HON. MR. M. THIRUMALA ROW: I do represent a section of the opinion in this House.

THE HON. THE PRESIDENT: Sir John Sargent, as I was mentioning when I was disturbed by the Honourable Member, is a great educationist. He has done for this country a great deal and for the University of Delhi he has done remarkable work. We heartily congratulate him on his well-deserved honour.

Sir John Bartley belonged to the Legislative Department. Many of you know him but others do not. He was one of those men who have rendered great and valuable services to the Government of India behind the *puddah*. He was Secretary of this Council for some years. He was my Secretary also for some time. He is a great legal draftsman. The brunt of the work which is performed in the Assembly and in the Council of State falls on him. He has been doing that work for the last twenty years so efficiently, so ably and so thoroughly that he is not only highly respected in this House but he has earned the respect of people outside this House. You know what the legal draftsman is supposed to do. He has not only to have at his fingertips all the sections of the Government of India Act, which is a most complicated Act, but he has to advise the Departments on matters of drafting, and when any question of drafting arises in the Assembly, and more especially in the Council of State, his services are always requisitioned. The honour done to him is most well-deserved. He is about to retire from service. I can only say on your behalf that we are all very pleased that he has received this great honour, and we trust that he will live to enjoy that honour for many, many years in his own country.

Sir K. W. Mealing belongs to the firm of Andrew Yule. He was in our House for a couple of years, and you all know the good work that he has done.

Among the C. S. I.'s, Mr. Tyson is our old friend, and he deserves the honour conferred upon him. Mr. Arthur Williams name again deserves special mention. He belonged to our Department. He was Secretary to this Council. He was my Secretary also, and he did very good work. He is now doing excellent work in Bengal where he occupies a high position. You are fully aware of the work which our friend

Sir Geoffrey Bozman rendered to this House. He was a very energetic Secretary ; I think he was Secretary of the Commonwealth Relations Department for many years and rendered very good services in that Department. The services of Mr. Rabindra Nath Bannerjee have also received the recognition to which he is entitled. He comes from my Province of the Central Provinces where he held important posts for many years and rendered valuable services to that Province. Since then he has come to the Government of India and is the Secretary of our friend the Honourable Dr. Khare. As you all know, in these critical times he has discharged his duties very faithfully.

Among the C. I. E.'s is our young friend Mr. Khurshid Ali Khan. He has been a member of this House for some years. I am glad that he is following in the footsteps of his revered father Sir Zulfiqar Ali Khan who was a nominated member of the old Assembly and also of this supreme Council for some time. We congratulate Mr. Khurshid Ali Khan. The other gentlemen who have received this honour are Mr. Hiralal Patel, Joint Secretary to the Government of India, and Mr. Mason, also Joint Secretary to the Government of India, who have rendered valuable services in this House.

GOVERNOR GENERAL'S ASSENT TO BILLS

SECRETARY OF THE COUNCIL : Sir, information has been received that His Excellency the Governor General has been pleased to grant his assent to the following Bills which were passed by the two Chambers of the Indian Legislature during the Budget Session, 1945, namely :—

- (1) The Indian Tea Control (Amendment) Act, 1945.
- (2) The Code of Criminal Procedure (Amendment) Act, 1945.
- (3) The Factories (Amendment) Act, 1945.
- (4) The Indian Companies (Amendment) Act, 1945.
- (5) The Indian Merchandise Marks (Amendment) Supplementary Act, 1945.
- (6) The Repealing and Amending Act, 1945.
- (7) The Indian Army (Amendment) Act, 1945.
- (8) The Indian Air Force (Amendment) Act, 1945.
- (9) The Indian Patents and Designs (Amendment) Act, 1945.
- (10) The Mines Maternity Benefit (Amendment) Act, 1945.
- (11) The Aligarh Muslim University (Amendment) Act, 1945.

BILLS PASSED BY THE LEGISLATIVE ASSEMBLY LAID ON THE TABLE

SECRETARY OF THE COUNCIL : Sir, in pursuance of rule 25 of the Indian Legislative Rules, I lay on the table copies of the following Bills which were passed by the Legislative Assembly at its meetings held on the 8th, 13th and 14th February, 1946, namely :—

- A Bill further to amend the Workmen's Compensation Act, 1923.
- A Bill further to amend the Indian Mines Act, 1923.
- A Bill further to amend the Code of Criminal Procedure, 1898.
- A Bill further to amend the Code of Criminal Procedure, 1898 (Second Amendment).
- A Bill to amend the Professions Tax Limitation Act, 1941.

EXPRESSIONS OF REGRET ON THE DEATH OF CERTAIN HONOURABLE MEMBERS

THE HON. THE PRESIDENT : Hon. Members, it is now my melancholy duty to refer to the deaths of two or three of our very, very good members. I do not know whether the Hon. Mr. Thirumala Row will object to that. Again, I would refer to his own remarks. I am referring to elected members of this House who

died, who during their lifetime, while members of this House, rendered valuable services to the country and whose loss we all mourn. The first and foremost of them is our old friend Rai Bahadur Lala Ram Saran Das. Many of you are aware of his great services. For a quarter of a century he was a member of this House and also of the Imperial Legislative Assembly—a man who spared his time at great sacrifice to do service to the country through this House. He was the Leader of the opposition and the Progressive Party for many years and we all came in contact with him, and every year that passed we came to admire him more and more and to respect him not only for his sobriety of views but the great moderation with which he dealt with important and significant matters. Even when opposing the Government's policy on many occasions he commanded the highest possible respect from all of us. We are very sorry that the hand of death has cut him off at a time when his services were greatly needed in this House. If he had lived at this juncture, he would have been a most valuable friend of the country, and I am sure we all regret his death. The only redeeming feature of this sad loss is that his son, Mr. Rup Chand, has come to this House as an elected member. I hope he will follow in the footsteps of his revered father and earn the same reputation and make the same valuable contribution as his father had done in this House.

Another member of the Progressive Party, who made very short speeches, and who did very good work in his own way, is no more with us : I refer to the late Kumar Nripendra Narayan Sinha of Nashipur. He was a very quiet, unassuming figure ; he never spoke at length, but when he did speak, he spoke with emphasis and to the point, and dealt with matters which were very important and significant. We all regret his death.

Another member, who belonged to the Congress Party, and who rendered very good services during the time he was here, is also no more. Mr. Narayandas Girdhardas was a very honest man who spoke according to his convictions. He did not refrain from speaking on any matter even though it was a bad subject or an unpalatable subject. On account of his moderation and his integrity and courtesy he was respected, and we mourn his death.

THE HON. SIR MAHOMED USMAN (Leader of the House) : Sir, on behalf of Government I beg to associate myself with all that you have said in connection with the loss which this House has suffered by the deaths of the three gentlemen whom you mentioned ; and the remarks which you made about the late Leader of the Opposition, Rai Bahadur Lala Ram Saran Das bring to my mind the kindness with which he used to speak to all members and the way in which he took part in the debates in this House. He was a great gentleman, and we are all extremely sorry that this House has lost his services. Similarly, we have lost the services of the other two gentlemen who were respected members of this House, and on behalf of Government I beg to associate myself with all that you have said.

THE HON. SIR DAVID DEVADOSS (Nominated Non-Official) : With your permission, Sir, I should like to add my tribute to the memory of the three members of this House. With regard to Rai Bahadur Lala Ram Saran Das, I had known him ever since I became a member of this House—for the last 15 or 16 years. One remarkable thing was his extreme simplicity. A man of immense wealth, he used his wealth for the good of the country. Sir, he was a charming host. I believe there are very few here who have not enjoyed his hospitality. As regards his work in the Council, you have expressed very great appreciation and I did really admire him as the official Leader of the Opposition in this House. No doubt he was the Leader of the Progressive Party, as it was called, but practically he was in the Opposition. Sir, we all regret his death. He has been cut off at a time when his services would be greatly in need. If he had lived, probably in this time of trouble and stress, his advice would be very valuable.

As regards the other Members, Mr. Sinha, as you have expressed, Sir, was a very simple man. Though he belonged to a very good family and was a big Zamindar, he was very careful in what he said.

As regards Mr. Narayandas Girdhardas, I have known him since he was a little boy. He belonged to a very good banking family in Madras, probably one of the richest some time ago, and he was a very quiet man and he did his work very well. Unfortunately, his health was very bad and he was not able to attend the Council meetings as often as he would have liked to. We are all very sorry and we would request you to convey our condolences to the members of the families of the deceased.

THE HON. PANDIT HIRDAY NATH KUNZRU (United Provinces Northern; Non-Muhammadan): Mr. President, the death of the three Members to whom you have referred is a great loss to us. Every one here will agree with you in the opinion that you have expressed about the Leader of my Party, the late Lala Ram Saran Das. He was a man of wide business interests. Many men in his position would have found it extremely difficult to attend to any public business. But during the 25 years that he was a Member of this House he gave freely of his time and energy to public work and to the business of this House. Since I knew him as a Member of this House, I think I can say there was no important occasion on which he was not present. His knowledge of such intricate questions as finance, currency, tariff and so on was such as to enable him to make a contribution to the discussion of those subjects in the House. He was perhaps the best informed man on those subjects in the House and it is indeed a great loss to this House that his life should have ended so soon. He was, apart from his interests in public work and his knowledge of the questions I have referred to, a man of great modesty and charm of manners. I am sure that he had no enemy. His absence from the House was always noticed and his presence here was welcomed by all sections. I hope, Sir, that you will be good enough to convey our condolences to his family.

As regards Maharaj Kumar Nripendra Narain Sinha, he was a valued member of the House and a man who had won the goodwill of all members of the House. He could not claim to have a deep knowledge of questions like Railway Finance or General Finance, but he was genuinely interested in all that concerned the welfare of the ordinary man. There was perhaps no occasion which he did not utilise in order to voice his opinion on this subject. He was modest and courteous and endeared himself to all those, both in this House and outside, who had an opportunity of meeting him.

As regards Mr. Narayandas Girdhardas, his health did not permit him to attend this House often. But from the very first day that he attended this House I think I can say with absolute certainty that he won the goodwill and respect of all Members. One could wish that his health and private circumstances had enabled him to be present here more frequently. But, unfortunately, this was not to be, and the illness which compelled him to be frequently absent from this House at last ended his life a few days ago.

Sir, the occasion is a very sad one. The loss of three such Members as those whose death we mourn is not an ordinary thing and when we consider how devoted and public-spirited these Members were, we cannot but deeply regret, both on our own behalf personally and on behalf of the House, that they should have been snatched away from us.

THE HON. MR. M. N. DALAL (Bombay: Non-Muhammadan): Mr. President, I join in the well-deserved tribute you have paid in such felicitous terms to our departed Leader of the Opposition. It is needless for me to recount at great length the service he has rendered to this Hon. House, as it is yet fresh in our memory. He won the esteem of all sections of this House and in the death of this veteran leader we have lost his shrewd and sagacious counsel, as a business man, which will be deeply missed. I suggest, Sir, that this condolence resolution, expressing our sympathy and deep sense of sorrow, be forwarded to his bereaved family.

I also, Sir, pay a tribute to the late Kumar Nripendra Narain Sinha of Nashipur. His sudden, sad and untimely demise has come as a shock to many of us. It is a strange irony of fate that so youthful and promising a career should be cut off in the midst of life. He was a man of a generous and sympathetic temperament and as an arduous debater his sincerity and enthusiasm were remarkable.

Sir, I associate myself also with what previous speakers have said on the death of Mr. Narayandas Girdhardas. Mr. Narayandas Girdhardas's unostentatious and unassuming manners and character scarcely made him a debater, but he was a very shrewd and experienced business-man and took a keen interest in our debates. He had not been keeping good health for a considerable length of time and had not been able to attend the Sessions of this House ; but his genial manners had endeared him to those with whom he came in contact. I suggest that these three condolence resolutions be sent to the bereaved families of the deceased.

THE HON. MR. G. S. MOTILAL (Bombay : Non-Muhammadan) : Sir, it is so sad that since we dispersed in April of the preceding year we have lost for ever three of our esteemed colleagues. The hand of death has taken a heavy toll and the House regrets the death of those three valuable members. We are now deprived of their services. Rai Bahadur Ram Saran Das, who was respected by every member of this House is no more with us. Kumar Sinha is not in our midst today. Mr. Narayandas Girdhardas has also departed. I would first of all add my tribute to the memory of the late-lamented Rai Bahadur Lala Ram Saran Das. He was a man of many parts and he was one of those business magnates who did give his time and energy not only to business activities but also equally to public activities and to the service of the country. He combined in himself an exemplary modesty with remarkable ability and he was endowed with a sagacity of judgment and an active mind. There are few who could equal his industry. As you said, Sir, he has been in this House serving the interest of his country for not less than 25 years, and ever since I came to this House I have observed that he took a very keen interest and made very valuable contributions to the proceedings of this House. We all deplore his death.

Sir, I next refer to the death of my young friend, Kumar Sinha. He was a man of sound common sense. He did not speak very frequently, but whenever he spoke, he spoke to the point and he was full of substance. He was a man of charming manners and he ever won very good opinion of the members of this House.

Last but not the least, Mr. Narayandas Girdhardas. He was a prominent business-man of Madras. He was elected in the year 1936 and was a member of this House all these years. The first few years he attended this Council, but later on his health did not permit him to do the strenuous work which was required in the Council. In spite of that whenever he spoke and whatever contributions he made, it was always to the profit of the House.

We all grieve their deaths and we sincerely condole with the members of their families. The expression of sorrow, which you will now transmit to the members of the family, has our fullest support.

***THE HON. SAYYED MOHAMED PADSHAH SAHIB BAHADUR (Madras : Muhammadan) :** Sir, I join in the well-deserved tribute which has been paid to the memory of three of our esteemed colleagues who have recently departed. As has been rightly observed by you and other Hon. Members who preceded me, their death has really caused a very great loss not only to this House but to the country at large. Lala Ram Saran Das was one of those distinguished sons of our country who commanded not only respect but even love throughout the length and breadth of our land. His genial disposition, his sauvity of manners, and his broadmindedness won the respect of every section of this House. One remarkable thing about him was that he was one of the biggest business-men and a great financier and he could easily have taken his time very easy. He realised the duty he owed to society, the duty which he owed to his motherland, and realising these he found time in the midst of his multifarious preoccupations to devote to public life. During all the years that he was a member of this House, until the time that his health became indifferent and made it difficult for him to attend to the business of this House, he was one of those who were very regular in attending the House. As you have rightly observed, his contributions to the debates in this Hon. House have always been very valuable ; especially his criticism of the Budget in this House was always intelligent and highly helpful. Lala Ram Saran Das's desire to know men and things impelled him, in spite of his numerous engagements, to undertake long and distant travels. He was

*Not Corrected by the Hon. Member.

one of those who went to Europe and as far away as Norway to see the conditions there. His desire to know things made him study not only his own religion but also all the various other religions in the land. His appreciation of the good things about all the various religions in this country gave him a catholicity of mind which made him very popular and respected. It is very unfortunate that at this time, when people of that breadth of view are required, that Lala Ram Saran Das has been snatched away from us. His death, I feel, is a real loss to Hon. Members of this House.

Sir, I also associate myself with the tribute which has been paid to the memory of our young and charming friend, Maharajkumar of Nashipur. He was really a man of very pleasant manners.

Sir, one thing very remarkable about him was that though he came of an aristocratic family he showed his solicitude and took keen interest in the welfare of the people. His death too has caused a grievous loss not only to this House but to the country.

Sir, we are very sorry, especially those who come from Madras for the loss of our esteemed friend, Mr. Narayandas Girdhardas. Even though his health did not permit him to attend this House regularly the few occasions on which he put in his appearances in this House had made him very popular with the members of this House. He was one of the leading business-men and a very highly respected citizen in Madras.

We all sincerely and deeply mourn the loss of all these three esteemed friends and I request you, Sir, on behalf of my Party that you would convey our condolence to the members of the bereaved families.

THE HON. SIR BUTA SINGH (Punjab, Sikh): I also wish to associate myself with the tributes that have been paid to the memory of the three Members we have lost. The Hon. Lala Ram Saran Das was the oldest and a very respected Member of this House. His great services to the country are known to all the Members. On personal grounds I may say that he was a friend of my father and he extended that friendship to me in the same way. We in the Punjab deplore his death very deeply. I would also request you, Sir, that a message of condolence may be sent to the members of his family.

BRIGADIER THE HON. SIR HISSAMUDDIN BAHADUR (Nominated Non-official): Sir, I associate myself with what has been said.

THE HON. MR. KHURSHID ALI KHAN (Nominated Non-official): I also wish to associate myself with what has been said by other Honourable Members.

THE HON. RAI BAHADUR SATYENDRA KUMAR DAS (East Bengal: Non-Muhammadan): As one coming from Bengal I wish to associate myself with what has been said in this House in connection with the unfortunate death of these three illustrious gentlemen who contributed much to the proceedings of this Council. The Honourable Lala Ram Saran Das had qualities not merely of head but also of heart. He endeared himself with every Member with whom he came into contact.

As to the Hon. Maharajkumar Nripendra Narayan Sinha, although brought up with a silver spoon in his mouth he had the moral courage to criticize the administration of the Government. During the last food debate he had the moral courage to criticize the policy of the Bengal administration in the matter of the procurement of the food grains.

As to Mr. Narayandas Girdhardas, he was a very acute business-man. He lost everything because of his being too honest. He could have saved his fortune if he could tell lies, but he was more an honest than a business-man.

THE HON. MR. M. THIRUMALA ROW (Madras: Non-Muhammadan): I associate myself entirely with the remarks that have fallen from the Chair as well as from other Members of this House. I am not less human than anybody not to feel the wrench that death has caused among our ranks. Rai Bahadur Ram Saran Das

was a man full of years and honours and for him when looking back upon his life he might not have got any regrets. He lived a full life and death has come at a moment which is unfortunate for the country and as such we all mourn his loss.

My friend Kumar Nripendra Narayan Sinha was my neighbour last time and he was one of fine young men who had hopes for his country and also the means of serving and his life has been cut short by the cruel hand of death.

I had intimate relations for more than 15 years with my late lamented colleague and friend Mr. Narayandas Girdhardas. He was really a man who suffered for his opinions. His health broke down because of financial and business undertakings. He had spent all his fortune to investigate the mineral resources of his country and had gathered one of the finest libraries in India which gives invaluable information about the mineral wealth of India. He wanted to strike some gold mines in the Mysore area. He lost all his wealth and in his place some foreign company is now working it up.

I associate myself entirely with the feelings expressed in this House and request the Chair to convey the feelings of this House to the bereaved families.

THE HON. MR. SURPUT SINGH (West Bengal Non-Muhammadan): Sir, I must thank you for giving me this opportunity of joining in the tribute that is being paid in this House today to the memory of Lala Ram Saran Das, Maharajkumar Nripendra Narayan Sinha of Nashipur and Mr. Narayandas Girdhardas.

Sir, Maharajkumar Nripendra Narayan Sinha of Nashipur and I belong to the same district and having lived within a few miles of each other for generations I had the privilege of claiming his friendship for a considerable number of years. From 1930, when he first came to this House as an elected Member from the same constituency from which I have the honour to come in the bye-election caused by his premature end, our friendship deepened into close intimacy. His life had been one of many-sided activities.

Second son of the Maharaja Ranajit Singh Bahadur of Nashipur, the Maharajkumar graduated from the Presidency College, Calcutta, quite early in life and slowly entered public life. He had been a Chairman of the Murshidabad Municipality and of the Local Board, Lalbagh, Murshidabad; a member of the District Board of Murshidabad and an Honorary Magistrate of the Lalbagh Independent Bench. He was also a member of a number of public bodies and institutions. He served as a member of the Joint Select Committee of the Reserve Bank Bill in Delhi and had been a Whip and an Honorary Treasurer of the Progressive Party in this House. Latterly he evinced great interest in business and company matters and came to be connected as Director with several oil and sugar mills in the United Provinces where he made many valued friends in life. Although born in an aristocratic family with very old traditions, his conduct and character were beyond cavil and reproach. In manners affable and gentle and in bearing dignified, he was a man with considerable public spirit and ardent patriotism with none of the pomp, hauteur and aloofness so prevalent in the class to which he belonged. Although he had considerable landed interests in the Province of Bengal he never cared for official frown or favour and that accounts for his being returned to this Council over and over again. During the fifteen years he had been a member of this House he invariably espoused national and popular causes.

This House in particular has lost in him a Member who gave promise of a big future and our Province generally a man with genuine public spirit. We, his friends, deeply mourn his quite unexpected death from a sudden heart-attack in Calcutta when there were very few of his nearest and dearest beside him.

I also associate myself wholeheartedly with what the Hon. Members have said and I express my deep condolences at the death of those Hon. Members.

THE HON. THE PRESIDENT: I will convey the condolences of the House to the bereaved families.

PRESENTATION OF THE RAILWAY BUDGET, 1946-47

THE HON. SIR ARTHUR GRIFFIN (Chief Commissioner of Railways) : **SIR,** I have the honour to present the statement of estimated revenue and expenditure in respect of Indian Railways for the coming year.

Past Year

2. The past year has been notable for the termination of actual hostilities and, as I think Honourable Members will appreciate, it will mark the end of a series of Railway Budgets of a magnitude, on the Revenue side certainly, unequalled in the history of Indian Railways. The termination of hostilities has not, however, yet had any appreciable effect on the burden imposed on the Railways. Indeed, whilst the early portion of the year registered what was probably a peak load, there followed the mounting of the planned operations, and so far as railway transport was concerned the demands made were not affected by the abrupt termination of the actual fighting. The same problems which have been mentioned in past Railway Budget speeches were present with us in much the same intensity, and once again nature, though less unkind than in some previous years, lent a hand in making things still more difficult. The Bombay, Baroda and Central India Railway was badly breached in five places on the main broad gauge line owing to flooding from the Tapti River, and through communication was severed for a maximum of 18 days, and serious restrictions were necessary afterwards.

Coal

3. The supply of coal to the Railways was, and still is, an ever present anxiety. Honourable Members will recollect that this time last year I pointed out that stocks on Railways had fallen to a dangerously low level. With some improvement in raisings a more adequate level was reached last June. Unfortunately, owing to shortage of labour in the coalfields this improvement was not maintained and it was not until October last that stocks began to recover. Since then the seasonal exodus from the coalfields, aggravated later by a most unfortunate outbreak of sickness in an unprecedented degree amongst running staff of the East Indian Railway, resulted in raisings dropping and despatches falling into arrears. The latter were also adversely affected by shortage of coastal shipping. Stocks therefore are again at a seriously low level. I look for a considerable improvement in the early future, not only in Railway supplies but in supplies to the country generally.

The Railways have for some years been conducting a vigorous campaign for economy in fuel and Honourable Members may be interested to know that a comparison of operating figures of 1943-44 and 1944-45 discloses that the reduced consumption in pounds per thousand gross ton miles in the latter year was equivalent to a saving of about 300,000 tons.

Improvement in Services

4. With the end of hostilities and with the anticipation of an easing of the exceptional military demands, and despite the great load still carried, early steps were taken to afford some relief to the travelling public, whose forbearance under difficult conditions of travel has more than once been acknowledged with gratitude by the Railway Board and Railway Administrations.

In the autumn a considerable number of passenger services which had previously to be eliminated were restored. More has been done with effect from the 1st January and efforts will be made to get back to something approaching pre-war timings, but, unfortunately, this will largely depend on Railways obtaining greater quantities of the better qualities of coal, the prospects of which are not very promising. Appeals have been made for more to be done and I can assure Honourable Members that every effort will be made to augment and improve the existing services. The Railways are as anxious as the public to see a complete restoration of curtailed services, but they are still handicapped by lack of coaching stock, so much of which is still necessary for the exclusive use of the Army. A programme for the return to normal use of such stock has been prepared and we shall press for this to be observed or

improved. But there is a very important consideration not to be forgotten. During the war, though every effort has been made to avoid arrears of maintenance, with a considerable measure of success in some directions, it was found impracticable to carry out full repairs and reconditioning to much of the coaching stock for two main reasons, the first being the imperative need to keep as much as possible in actual use, and the other, shortage of materials. The result of this is that coaching stock when returned has to receive comprehensive repair, and in some cases modification involving almost complete rebuilding. There is an interval therefore, before returned stock is available for normal use, and even then it may only replace other stock which has to be called in for repairs.

Steps have also been taken to relax many of the restrictions on the movement of goods traffic and the process is being continued, conditioned only by the need for synchronising relaxation and reversion to normal trading with increasing availability of railway resources as a result of new equipment and with reduction of the military load and other priority movements.

Rolling Stock

5. As regards new equipment, in past budget speeches the supply of additional rolling stock and locomotives has been fully dealt with and last year especially was this the case when the methods proposed for financing these unusual purchases—unusual in both quantity and cost—were approved. Over this present financial year we expect to have received 11,200 broad gauge wagons and 462 broad gauge locomotives from overseas and 7,726 broad gauge wagons from Indian manufacturers, and the balance remaining to arrive in the country from April next is 8,190 wagons and 111 locomotives. Action was taken to cancel a portion of the demands for wagons from the U. S. A. which were being supplied under Lend/Lease.

As soon as we can get all this new equipment into operation one hopes to see a still further appreciable easing in the wagon position and an early reversion to free movement unencumbered with priority movements other than perhaps such as are essential for food supplies, coal, etc.

Accounts 1944-45

6. I now turn to the accounts themselves and deal first with the accounts for 1944-45. This time last year, I estimated that the year would close with a surplus of 42·01 crores. As a result of an improvement of 2·08 crores in gross traffic receipts, a saving of 5·22 crores in working expenses, an improvement of 23 lakhs in net miscellaneous receipts and a reduction of 36 lakhs in interest charges, the actual surplus for the year turned out to be 49·89 crores, an improvement of 7·88 crores. While the improvement in gross traffic receipts was real, the saving in working expenses was mainly due to a throw-forward to the following year. Out of the realised surplus, 32 crores were paid to General Revenues and 17·89 crores to Railway Reserve. The net increase in the Railway Reserve was, however, only 14·93 crores as there was a withdrawal of 2·96 crores to meet arrears of depreciation in respect of rolling stock.

Revised Estimate for 1945-46

7. As to the revised estimate for 1945-46, the estimate of receipts was originally placed at 220 crores. While our goods earnings may not appreciably differ from our budget estimate we expect a large increase in our passenger earnings, and as a matter of interest, those from upper class traffic are expected to show a much larger proportionate increase (35 per cent.) than those from III class (14 per cent.). We expect, however, a considerable fall under "other coaching traffic" due to less parcels traffic. Under "Sundries" we anticipate an increase of about a crore and a half. Our present estimate of gross traffic receipts is 225 crores, and adding 3·73 crores for "Net Miscellaneous Receipts" the total receipts will be 228·73 crores.

On the expenditure side, we expect an increase over the budget of 9·26 crores in Ordinary Working Expenses and of 24 lakhs in Payment to Worked Lines, and a decrease of 7 lakhs in the Appropriation to the Depreciation Fund, so that our revised estimate of total Working Expenses including Depreciation and Payment to Worked Lines is 169·30 crores, against the original budget of 159·87 crores.

The net Revenue is therefore 59.43 crores, 4.47 crores less than the original budget. After deducting therefrom interest charges amounting to 27.36 crores, 3 lakhs less than the original budget, we have a surplus of 32.07 crores, which is 4.44 crores less than the budget.

In explanation of the variations in the Budget, the special adjustments on account of rolling stock are 6.16 crores less, but there is an increase, mainly due to a throw-forward from 1944-45 which we did not budget for, of 1.84 crores on account of military sidings and inflationary element in the Works expenditure. The adjustment on account of the cost of dismantled lines and abandoned assets is about 2 lakhs less, while we have to make a provision of 1.62 crores, which we may have to pay to the War Department on account of interest and depreciation on the Works built at their cost on the Lines of Communication, mostly in the north-east, and on account of hire of metre gauge rolling stock belonging to that department and used by railways. Expenditure on the Defence of India Units will be 76 lakhs less than the budget due to their disbandment from 1st December 1945 and there is a saving of 31 lakhs in Air Raid Precautions. Maintenance expenditure will be 2.45 crores more, expenditure on coal including freight 2.03 crores more and on additional staff 1.32 crores more than the budget. The expenditure on compensation claims is expected to be 79 lakhs more. The expenditure on freight on fuel has increased because some coal has had to be sent by sea. Dearness Allowance will cost 4.21 crores more, while we estimate loss on the working of Grain Shops at 1.68 crores more than the budget.

Review of War Years

8. Having reviewed the main events of the passing year and before I pass on to the estimates for 1946-47, though our eyes are naturally turned to the future and interest is concentrated on prospective development, it is not, I feel, inappropriate, as this is the last of the Railway war budgets, to make a rapid, though necessarily very incomplete, survey of the part the Railways have played in the crisis now fortunately past, and to reveal some of the things which had for security and other reasons to be kept somewhat of a secret, and to summarise the results on the financial structure of the Railways.

9. The contribution of the Railways to the combined war effort may be divided into several phases and though these merged into one another, each presented a series of intricate problems, the solution of which called for the exercise of great application and initiative. In the early stages of the war the call was to help others. All resources available were put at the disposal of the Army and others responsible for producing war like equipment. Some workshops were specially allocated and others expanded their activities to undertake this work. Over 20,000 men were at one time employed by the Railways solely for this purpose, a figure which curiously enough is almost the same as that of British Railways' staff employed on the production of armaments. The items produced ranged from armoured vehicles, shells, grenades, bayonets, wireless masts, pontoons to cooking ovens, lorry bodies, clothing and an almost innumerable variety of other essential war requirements, components etc. I would mention a few of the high-lights of the production efforts. Over 2 million shells and armour-piercing shots of various kinds, about 2½ million hand grenades and over 2 million fuses, 120,000 mortar bomb castings, 2,500 land mines and nearly 3,000 bodies for army vehicles. 25 ambulance trains were turned out of which 17 were air-conditioned. One Railway produced over 5½ million garments for the Army and 820 pontoons for bridging. Nearly 800 aircraft engines were repaired and reconditioned, while hundreds of wooden and metal propellers were manufactured. These are a few only of the thousands of items produced. And in addition, the tool rooms of the railway workshops were busy in providing not only the tools and gauges required by these workshops, but those required by outside concerns and ordnance factories. Many of these precision tools and gauges required the highest standard of workmanship. Amongst equipment despatched overseas were 8 per cent. of the metre gauge locomotives and 15 per cent. of the metre gauge wagon stock. Broad gauge stock was converted to the standard gauge and similarly released. Some of these supplies have since been returned, but much will not come back. Some 4,000 miles of track and over 4 million sleepers were absorbed for overseas or for military

requirements in India. Over 280 officers and 5,000 other technical personnel were released for war service which of itself threw an additional burden on the administrative, executive and supervisory staff left behind.

10. Later, there followed the beginning of the many swings of traffic to the West, to the North, and later to the East and South. The initial German threat to the Caucasus involved the re-opening of the railway connexion into Persia, a problem of considerable complexity. These major swings of traffic in unusual directions and over ill-equipped routes and *via* transshipment points not previously equipped for heavy traffic, coupled with the loss of coastal shipping, entailed the solution of a continuous sequence of involved problems in the distribution of power, rolling stock and personnel and investigations into the capacities of and improvements to many routes.

11. During the whole period, the load imposed on Railways steadily increased ; not only the load directly connected with the war effort but of civil traffic, more particularly in respect of passengers. As evidence of this increased load, the passengers carried increased from 513 million in 1938-39 to 891 million in 1944-45, an increase of nearly 74 per cent., and this *excludes* military personnel travelling by military special trains. As a measure of work done, passenger miles this financial year are 123 per cent. more than in 1938-39. The tons of freight increased from 115 million to 132, an increase of about 15 per cent. and the net ton miles increased 30 per cent. but, and this is important, this excludes all tonnage moved in military specials. Over the last calendar year no less than 1,269 military specials of all sorts were run per month compared with 29 per month in pre-war years.

The shortage of equipment for such intensity of traffic and the inability to increase it at anything like an adequate rate meant that Railways were thrown back on their own resources and a drive for greater efficiency had relentlessly to be pursued.

The opening up of the Assam L. of C. was a phase in itself. Single line sections of the metro gauge designed and equipped to deal with three or four trains a day, had to be worked up to sustain a continuous flow in each direction of four to five times this number. The tonnage moved over the Assam and East Bengal Ls. of C. rose from 75,500 tons in January 1944 to 456,000 tons in April 1945. The Railway L. of C. met in full the demands made.

The final swing in movements came as a result of the mounting and maintenance of the forces of S.E.A.C. This demanded not only intense and carefully regulated movements to the West, but the development of the Railways serving the East Coast Ports and the construction of several new Bases, including that at Avadi, near Madras, reputed to be the largest Base of its kind in the Empire during the war.

Review of wartime Railway Finance

12. This intense load over all these years has been reflected in both the revenue and expenditure statements which have been put before Honourable Members each year ; but I would summarise the results. In the first year of the war our gross traffic receipts came to 102·73 crores. Since then they have shown a continuous rise to the peak of the current year with 225 crores. Ordinary working expenses in 1939-40 were 54·77 crores compared with 119·52 crores for this year, after leaving out the special adjustments amounting to 30·39 crores on account of the special procedure adopted for the allocation of the cost of rolling stock and structural works described by me to the House in my last year's speech, and omitting the premium paid on the purchase of branch lines and write-off of the cost of dismantled lines and abandoned works. While our surplus in 1939-40 was only 4·33 crores, it reached in 1943-44 the figure of 50·84 crores. Last year it was 49·89 crores, and in 1945-46, as I have indicated, we expect the surplus to be 32·07 crores. Before the war we were in arrears regarding the payment of contribution to the General Revenues to the extent of 35·41 crores. We also owed to the Depreciation Fund 30·29 crores. At the end of 1945-46, we shall not only have repaid our loans from the Depreciation Fund, but also paid to General Revenues a sum of 12·302 crores *plus* 35·41 crores,

the arrears of contribution, and borne the loss on strategic lines amounting to 6.01 crores. In addition, we shall have in the Railway Reserve, which in 1939-40 had only a paltry sum of 48 lakhs, an accumulation of 29.05 crores.

13. These, Sir, are impressive figures. But with the termination of the war our Receipts are likely to drop considerably. In fact, anticipating what I shall say in a moment about next year's estimates, we are placing our estimate for 1946-47 at 48 crores less than this year's revised estimate, and it is probable that there may be a further drop in 1947-48. The Working Expenses in 1945-46 include 13.85 crores on account of Dearness Allowance and 12.96 crores on account of loss on Grain Shops, and a sum of about 1½ crores on account of Defence of India Units. The only saving we can safely expect in the immediate future is in respect of the Defence of India Units which have now been disbanded. We hope the loss on Grain Shops next year will be less than this year, and if there is a further and steady fall in prices this item of expenditure may in the course of a few years disappear. Our fuel bill, excluding freight, has gone up from 2.83 crores in 1939-40 to 12.12 crores in 1945-46. There is little likelihood in the near future of any appreciable saving in our coal bill, and it is significant to note that the various cesses on coal payable by the Railways now equal about 50% of the total cost of coal excluding freight in 1939-40. Thus the financial prospect before the railways in the years to come is vastly different from what we have become accustomed to see over six years of war. Whereas we must be prepared for a fall in our earnings, our Working Expenses may persist not far from their present level for some considerable time.

There is a feature in this review of wartime finance which I should mention as it is a relief to the somewhat gloomy picture I have just painted, and that is the purchase of all the major railway systems which were under Company management before, together with seven branch lines. As a result of this, our payments on account of surplus profits to railway Companies, which amounted to a crore of rupees in 1944-45, have practically ceased from this year, while payments to worked lines will have been considerably reduced. In spite of these large purchases our interest payments, due mainly to a continuous fall in the rate of interest, have gone down from 29.11 crores in 1939-40 to 27.36 crores in 1945-46. I may say that in the year 1939-40 payments to worked lines were 2.57 crores while in the year 1945-46, when the gross traffic receipts will be about 120% higher, the payments to worked lines are estimated at 2.34 crores only.

Estimates for 1946-47

14. I now pass on, Sir, to the Estimates for 1946-47. Basing our estimates of revenue on this year's results and, after allowing for the sharp decline expected in military traffic and for the possible growth of road services, we place our estimate for the next year at 177 crores, which is 48 crores less than the gross traffic receipts expected this year. In addition we expect a net revenue of 3.14 crores from miscellaneous transactions.

In estimating ordinary working expenses in 1946-47, we have to deduct from this year's estimate 19.72 crores on account of the reduction in the special adjustments for rolling stock, military sidings and structural works, for the write-off of the cost of dismantled lines and abandoned assets and for hire charges payable to the War Department. We have provided 54 lakhs less under repairs and 44 lakhs less under compensation claims. We expect to save 1.56 crores under Defence of India Units and 1.63 crores under grain shops. These and other minor savings aggregate 24.66 crores. We hope to stop sending coal by sea in the course of the year, with a resultant direct saving, but this will be absorbed in railway freight as we must build up the depleted stocks. We hope to spend 48 lakhs more on new minor works, and under this head about 17 lakhs and 12 lakhs are on account of amenities for the public and staff respectively. After making these adjustments in the estimates for the current year, we place our estimate of ordinary working expenses for the next year at 125.73 crores. The appropriation to the Depreciation Fund will be reduced by 4 crores due to ceasing the additional contribution for excessive wartime wear

and tear, but there will be an increase of 17 lakhs on account of the increase in the Capital-at-charge. Payments to worked lines will be 61 lakhs less while our interest charges will be 12 lakhs less. We expect the year's surplus to be only 12·22 crores, 19·85 crores less than in the current year.

Betterment Fund

15. We have anxiously considered the most appropriate method of financing the extensive programme we have planned of such additions and improvements to our assets, including amenities to the public and the staff, as may not bring in additional revenue or prove expenditure-saving. According to the procedure hitherto in force, such expenditure would be charged to Capital, thereby imposing on the railways a permanent and increasing liability for interest charges without bringing any return. This is opposed to the best railway practice the world over and has been disapproved by most of the leading authorities on Railways, who hold that betterments which do not increase the revenue earning capacity of railways should be paid for out of Revenue and not out of Capital. After careful consideration, Government have accepted the soundness of this view, and to enable the Railway Board to plan their programme of such works have decided to institute a Betterment Fund. This would also be in accordance with the views expressed by the Railway Standing Finance Committee when they considered the Railway Budget for the current year.

Both appropriation to and expenditure from the Betterment Fund will be subject to the vote of the Legislature. It is proposed to start this Fund by transferring a sum of Rs. 12 crores from the Railway Reserve Fund and a sum of Rs. 3 crores by appropriation from the net revenue of 1946-47.

There will be no hard and fast rule as to the amount to be appropriated to the fund in any year, and subsequent appropriation will depend on the net revenue of the year and on a consideration of the respective needs of the Railways and of General Revenues, subject, of course, to the convention which may hereafter be adopted for the distribution of surpluses between Railways and General Revenues.

No estimate of the expenditure from the Fund next year has yet been made, as there has been no time to examine the works programme in the light of the new decision, or to work out the changes in the present rules of allocation.

Division of Surplus

16. This time last year the estimate of the surplus for 1944-45 was 42·01 crores, out of which 32 crores were to go to General Revenues and 10·01 crores to Railway Reserve. Actually the year closed with a surplus of 49·89 crores, of which 32 crores went to General Revenues and 17·89 crores were transferred to Railway Reserve.

The budget estimate of the surplus for the current year was 36·51 crores, out of which the share of General Revenues was to be 32 crores. For the reasons I have already explained, we now expect our surplus to be only 32·07 crores. As settled last year, the General Revenues will have a fixed contribution of 32 crores and the Railway Reserve the remaining 7 lakhs.

In 1946-47 the surplus net revenue, after meeting interest charges, will be 12·22 crores. The contribution to General Revenues has been worked out as an initial payment of 1% of the capital at charge of commercial lines, less the loss on strategic lines, and half the balance after setting aside 3 crores for the Betterment Fund. On the basis of our present estimate, this gives 7·36 crores to General Revenues and 1·86 crores to Railway Reserve.

The year 1944-45 closed with a balance of 37·48 crores in the Railway Reserve. In the current year there will be a withdrawal of 8·50 crores against the original estimate of 5·80 crores, while the appropriation will be 7 lakhs against 4·51 crores in the budget. The balance in the Fund at the end of the year will be 29·05 crores. In 1946-47 there will be the transfer of 12 crores to the Betterment Fund, and a withdrawal of 1·82 crores on account of arrears of depreciation, while the appropriation to the Reserve will be 1·86 crores. There will also be an accretion of 2 lakhs on account of appreciation in the value of branch line shares which will be cancelled on the taking over of the lines in 1946-47. The balance in the Fund at the end of the year will therefore be 17·11 crores.

Post-war development

17. I would now refer to the programme for development of the Railways mentioned in previous budget speeches and ordinarily somewhat loosely referred to as post-war reconstruction. All Railways were called upon to submit quinquennial programmes based on the broad proposals framed by the Railway Board. These programmes, which are now under close examination, normally apply to a period beginning with 1947-48 but portions have been brought forward to 1946-47 as additional to the normal works programme for that year. As will be seen later when dealing with the Capital and Depreciation Fund programme for 1946-47, a very heavy programme of work is contemplated for that year. I feel a note of caution should be sounded in respect of these large programmes.

It is wrong, and likely to prove financially wasteful, if Railways are asked to undertake work beyond their efficient spending capacity. Time is required to build this capacity up, and premature rushing into work with perhaps inadequate examination and preparation may be dangerous. Moreover, Railways have been strained very seriously during the last five years and rehabilitation and elimination of arrears of maintenance and a restoration of more normal working will necessarily absorb the skill and attention of officers and staff, so that an undue burden of additional work might result in neither rehabilitation nor expansion receiving the attention they require.

A programme of construction of new railways and restoration of the dismantled lines has been tentatively settled in consultation with Provincial Governments and negotiations are still proceeding in respect of expansion in Indian States. No less than 41 surveys have been sanctioned and work is now in progress on 24 of these. It will be appreciated that not only are engineering surveys necessary but traffic surveys also. This work has to be conducted in close co-operation with local and provincial authorities and much of it is in difficult country. So progress, if it is to be sound and not liable to lead to unjustifiable financial commitments, must necessarily be cautious and, in addition, skilled staff for such work is limited. The investigations proceeding and sanctioned are in regard to about 3,000 miles out of a little over 5,000 miles, the total of the proposals so far made.

Passenger Stock

18. Honourable Members will be particularly interested in the question of passenger coaching stock. Last year I promised that everything would be done to bring more stock into service by the utilisation of whatever equipment we might have available. Unfortunately the new underframes which were then on order have only now begun to arrive. These underframes will mainly be distributed over the various Railways in accordance with their workshop capacity in order to ensure rapid construction and release to service; but a few may be used in connexion with the provision of special light weight stock to be supplied by outside manufacturers. Over the last calendar year the Railways have put a considerable number of additional carriages into service by using every underframe, standard or otherwise, which could be made available.

Much consideration has been devoted to improvements in the design of future stock. Alternative Inter and III Class layouts have been prepared and trial forms built. The tentative layouts contemplate transverse seating which makes for greater privacy; seats will have adequate knee room and will give a standard of comfort not previously provided. Provision will also be made for a considerable majority of the passengers to have lying down facilities. Water supply will be available in both the compartments and the lavatories, and lighting will be improved. The Inter Class will be provided with fans. It will be realised that additional comfort, which is largely to be obtained by increased space per passenger, means a reduction in the normal seating capacity. This being so, much attention is being given to reduce the tare weight of stock by special construction and close examination is being made of the question of using wider stock. Such new stock, it is contemplated, will afford a greater measure of protection in the event of accidents; and another feature it is hoped to introduce is better insulation against heat.

Locomotives and Boilers

19. As regards locomotive and boiler manufacture in the country, the Ajmer Workshops expect to complete the first batch of 10 broad gauge engines by the end of this month and six have already been issued to traffic. In addition two metre gauge locos were completed last year. Work on the first order for boilers with the new Tata Loco and Engineering Company at Singhbhum is in hand ; and progress is being made with finalising the plans and estimates for the new locomotive building workshops at Kanchrapara. I have already mentioned the serious problem of arrears of maintenance which applies particularly to locomotives, and until the work involved in overtaking these arrears is complete or arrangements can be made satisfactorily to distribute the work now to be carried out at Kanchrapara there may be some delay in converting these shops.

Amenities for the Public and Railway Staff

20. The works programme will be found to contain considerable sums for amenities both for the public and the railway staff. As regards the latter, the majority of the expenditure is in respect of quarters. It has been recognised that better accommodation is necessary and steps have been taken to draw up more suitable specifications.

Railway Rates

21. It is necessary to make mention of an important matter of post-war railway investigation, one which has been mentioned publicly in the proceedings of the Indian Railway Conference Association and commented upon in the Press. I refer to the railway rating structure. If I may say so, there seems to be a little misunderstanding in regard to the investigations that are being made and it appears that the rating structure has been confused with the rating policy or general level of charges.

There was for some years criticism of the structure and much was done just before the war to remove causes of complaint. The two main criticisms were in regard to the number and complexity of the class and schedule rates and, secondly the application of discontinuous mileage between individual Railways in the calculation of freights and charges. In 1937 the Railway Enquiry Committee, having drawn attention to these two points, expressed the opinion that the adoption of continuous mileage would involve serious rate reductions, and they recommended greater recourse to quoting lump sum station-to-station rates. This policy was followed and much was accomplished, but despite other war pre-occupations a further investigation was begun into the simplification of the structure. A comprehensive analysis was made with the result that it appeared practicable to introduce class rates on a telescopic basis on continuous mileage without appreciable loss of revenue. Such a procedure would simplify the structure ; it would reduce the number of non-standard rates, and with the adoption of the shortest route principle, would reduce the volume of work involved in rate calculations. The main changes tentatively approved were, therefore, the introduction of telescopic rates on continuous mileage, other rates for interchange traffic being mainly station-to-station lump sum rates. The investigation—a very complicated one involving examination of many thousands of rates—still continues and we hope to produce a structure which will eliminate previous criticisms, avoid unhealthy competition between railways, reduce the difference between rates at railway risk and at owner's risk, and simplify procedure. I would emphasize again that all this involved and intricate work concerns the structure and only indirectly does it embrace the other problem of the actual level of rates or the rating policy. From what I have already said about future financial prospects, it will be fully appreciated that the quantum of traffic generally in the future, which one anticipates will be below that now estimated for next year, and the level of expenditure, which unfortunately will not, one apprehends, fall so readily, will determine whether the existing level of railway charges can be maintained or not.

*Capital and Depreciation Fund**1945-46*

22. I now turn to the estimates of Capital and Depreciation Fund. Our revised estimate for the year 1945-46 allows for an expenditure of 29·26 crores, 10·41 crores under Capital and 18·85 crores from the Depreciation Fund. The Capital expenditure includes a sum of Rs. 1·34 crores on account of the balance of the purchase price of B. & N. W. and R. & K. Railways, outstanding matters in connexion with which have been only recently settled after protracted negotiations between the Secretary of State and the Liquidators. It includes also 14 lakhs for the purchase of the Pollachi-Podanur Railway, 25 lakhs for the purchase of the Jacobabad-Kashmore Railway and 1·86 crores for the Dibru-Sadiya Railway. It also includes an expenditure of 1·19 crores on investment in road services. Our suspense balances will also be increased by 3·43 crores ; but there is a credit to Capital of 3·03 crores, 2·98 crores because of the write-off of the capital cost of dismantled lines and abandoned assets and 5 lakhs on account of the write-back to Revenue of the railway portion of the cost of military sidings.

1946-47

23. For the year 1946-47 we have provided for an expenditure of 25·89 crores under Capital and 16·95 crores from the Depreciation Fund. Under Capital we have provided 2 crores for new constructions, actual details of which are not yet known as survey reports have still to be submitted, and for restoration of dismantled lines, and 2·37 crores are provided for the purchase of Sara-Sirajganj, Ahmedabad-Prantaj, Hoshiarpur-Doab and Sialkot-Narowal Railways. In addition to this sum they will be paid premia aggregating 47·26 lakhs, which, however, will be charged to Working Expenses. For investment in road services we have made a provision of 3·48 crores. For open line works we have provided 35·66 crores including 2·10 crores for quarters and other amenities for Railway staff and about 77 lakhs for provision of additional amenities for the public. As the total open line programme comes to the large figure of 40·84 crores, we have made a lump sum cut of 4·84 crores to provide for throw-forwards and for the probability that railways may not be able to spend the full amount. The net provision therefore is 36 crores of which 15 crores will be charged to the Depreciation Fund, the balance of which at the end of the year will stand at 98·83 crores.

Staff

24. Our post-war plans include a review of many aspects of the conditions of service under which railway servants carry out their duties—a review which has been facilitated by the recent acquisition by the State of the remaining Company-managed lines. The standard of medical facilities which we provide and the educational assistance given to staff in respect of their children are being looked into. Staff Councils, as a link between the Administration and the railway worker, are to be made more effective. The working of the staff Benefit Fund which provides miscellaneous amenities is being reviewed. The rules regulating the hours of employment of railway workers—a matter of considerable complexity—technical training and the handling of establishment matters are all being considered afresh. We are determined that the welfare of the large body of railway servants shall thus receive adequate attention in the post-war years and that improvements are introduced as soon as possible although the workers must remember that many of these questions are complicated and that improvement must be progressive as investigations are completed and funds become available.

I am well aware that, at the moment, the post-war scales of pay are uppermost in the minds of our employees. Each Railway has its own scales ; in fact, there is an entire lack of uniformity in this matter, especially on ex-Company-managed Railways. While it is impossible to justify one set of scales in such a large country where differences in living conditions will probably always exist, an attempt is being made to simplify, as far as possible, the pay structure which, in itself, the Railway

Board believe, will be conducive to contentment among the staff. This examination of the structure is well in hand, and, although it will not be possible finally to introduce post-war scales until we can foresee to some extent the level at which prices are likely to become stabilised, yet, as recently announced, Government is setting up a Commission to consider the post-war scales of pay of all its servants. In the meantime, however, the present rates of relief which we are giving will not be reduced so long as there is no material reduction in the cost of living.

25. Large bodies of temporary staff are, I know, apprehensive that diminution in railway transportation will lead to many of them being discharged. As I have publicly stated, there is no truth in the report which has appeared in the Press that as many as 250,000 men will lose their employment. It is, of course, a fact that the purely military work which Railways were undertaking on behalf of others has been stopped and that purely military traffic will show a decline, but we have the larger rehabilitation and construction programme to which I have already referred. Under these conditions, men who are becoming surplus in one direction can be given alternative employment in another and Railway Administrations are doing their utmost to ensure that no redundant worker will be turned off if there is alternative work for which he is at all suitable and which he will accept.

Conclusion

26. In conclusion, Sir, I should like again to take this opportunity—the last opportunity I shall have—to commend to Hon. Members the loyalty and work of all grades of Railwaymen.

All have contributed to the results obtained and on their endeavour depended, to some extent, the success that attended the fighting forces of the Allied Nations, not only in the East but in North Africa and elsewhere. The principal Administrative Officer, G.H.Q. (India), once publicly stated “The Railways of India have never let the Army down.” I do not feel that my confidence—a confidence born of thirty-five years’ connexion with Indian Railways—is misplaced when I say that these same officers and men will continue to display a similar spirit of service in the different conditions now about to face them. May it be so. (*Applause.*)

The Council then adjourned till Eleven of the Clock on Tuesday, the 19th February, 1946.