

18th April 1946

THE LEGISLATIVE ASSEMBLY DEBATES

Official Report

Volume VI, 1946

(16th April to 18th April, 1946)

FIRST SESSION
OF THE
SIXTH LEGISLATIVE ASSEMBLY,
1946



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LEGISLATIVE ASSEMBLY

Thursday, 18th April, 1946

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

MEMBER SWORN :

Mr. Lalgudy Swaminath Vaidyanathan, M.L.A. (Nominated Non-Official).

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

POST-WAR DEVELOPMENT PLANS OF GOVERNMENT OF INDIA

1958. *Mr. Tamizuddin Khan: (a) Will the Honourable Member for Planning and Development be pleased to state what are the plans, in brief, of the various Departments of the Government of India which have been finally adopted for execution?

(b) What is the period of time within which the execution of each such plan is likely to be completed, and what expenditure does each such plan involve?

(c) What is the brief description of the draft plans, if any, likely to be taken into consideration during the next six months?

(d) Do Government propose to go ahead with the preparation and execution of post-war development plans, or do they intend to await the formation of a New Government as the result of the endeavours of the Cabinet Mission?

The Honourable Sir Akbar Hydari : (a), (b) and (c). Plans have been prepared by various Departments as indicated in my reply to part (e) of question No. 635, by Professor N. G. Ranga, on the 4th March, 1946. Some of these have been approved in principle and others are being examined for such approval. The period of time within which the schemes are to be executed will be decided when final financial sanction is accorded but it is expected that the programme in view will be completed by 1952.

(d) We propose to go ahead. It will be open to the new Government to alter or amend the plans should they consider that necessary.

Mr. Muhammad Nauman : May I know if the Honourable Member will lay the plans on the table or in the Library, so that we may know what are the prospective plans which the Government propose to go ahead with ?

The Honourable Sir Akbar Hydari : I have already in answer to Prof. Ranga's question placed a statement on the table of the cost of several plans but if the plans themselves are not in the Library, I shall consider the request.

Mr. Manu Subedar : In view of the fact that progress is being made in the case of some of these plans and some of them have not been finalised, will not the Honourable Member circulate to the Members of this House a statement of what has been done so far and a further statement after a month or two as to what may be done thereafter ?

The Honourable Sir Akbar Hydari : I shall consider the suggestion.

Prof. N. G. Ranga : Is it true that efforts are being made to appoint I.C.S. officers in the place of technical experts in charge of several of these committees which are expected to prepare these plans ?

The Honourable Sir Akbar Hydari : I do not know why the bar sinister should be imposed on I. C. S. officers.

Prof. N. G Ranga : In view of the fact that I. C. S. men are not technical men, is it not right to expect the Government to place only technical men at the helm of these technical panels which are expected to give technical advice to the Government of India;

The Honourable Sir Akbar Hydari : Will the Honourable Member give me any instance in which we have placed a non-technical man in a technical job?

Mr. Sasanka Sekhar Sanyal : Is it a fact that his Secretary is one whose only qualification was that he ran away from the fields of Burma ?

The Honourable Sir Akbar Hydari : I do not know whom he is referring to.

Mr. Sasanka Sekhar Sanyal : General Hutton.

The Honourable Sir Akbar Hydari : He is leaving the department by the 20th of this month.

Seth Yusuf Abdoola Haroon : Does the Honourable Member propose to take the Standing Advisory Committee into his confidence and to discuss with them the entire plans for development before he circulates them ?

The Honourable Sir Akbar Hydari : I will consider that.

Seth Yusuf Abdoola Haroon : May I inquire how many meetings of the Standing Advisory Committee were called this session for consultation ?

The Honourable Sir Akbar Hydari : Not one during this session. There has not been any time.

Prof. N.G. Ranga : Who is going to succeed General Hutton ? Is he an European or Indian ?

The Honourable Sir Akbar Hydari : An Indian.

Shri Mohan Lal Saksena : Does the Honourable Member propose to convene a meeting this session ?

The Honourable Sir Akbar Hydari : I will consider that. There was no time to convene a meeting of the Advisory Committee. I attach great value to its advice but there has not been time and if during the summer occasion arises, when we can put a worth while agenda before it, I shall certainly convene a meeting.

Shri Mohan Lal Saksena : Is it not a fact that the standing committees of other Departments have been held more than once and this committee has not been convened even once ?

The Honourable Sir Akbar Hydari : Quite possibly.

Shri Mohan Lal Saksena : Is it not a fact that the Honourable Member did not consider it necessary to call a meeting, not that there was no time.

The Honourable Sir Akbar Hydari : Quite honestly there was no time.

POST-WAR DEVELOPMENT PLANS OF SECTION 93 PROVINCES

1959. ***Mr. Tamizuddin Khan :** Will the Honourable Member for Planning and Development be pleased to state:

(a) whether Provincial post-war plans prepared by section 93 Governments have been finally approved by the Government of India, or whether these will be subject to revision and alteration by the popular Governments already formed in several Provinces and likely to be formed in others in the near future; and

(b) whether it is a fact that approval by the Central Government is a condition precedent to any financial assistance from the Central Government to Provincial Governments for the execution of such plans?

The Honourable Sir Akbar Hydari : (a) The Provincial Plans have not yet been finally approved by the Central Government. It is open to Provincial Governments to revise or alter their Plans should they consider it necessary.

(b) Yes.

DUTIES OF STENOGRAPHERS ATTACHED TO CONTROLLERS IN MILITARY ACCOUNTS DEPARTMENT

1960. ***Mr. Ahmed E. H. Jaffer:** (a) Will the Honourable the Finance Member please state the number of stenographers attached to Controllers in the Military Accounts Department and the number of Muslims among them?

(b) Is it a fact that orders regarding recruitment as provided in the Home Department Resolution of 1934 are not being observed in case of stenographers in this Department?

(c) Is it a fact that stenographers are not used by Controllers as such but are employed in office mainly on office typing work?

(d) Is it a fact that stenographers in this Department do not accompany their officers on tour and that in their place junior clerks are taken?

(e) If so, does the Honourable Member propose to issue orders to Controllers that stenographers should be utilised for their legitimate duties and not otherwise and that Controllers should make the best use of their stenographers?

Mr. K. G. Ambegaokar : (a) The total number of stenographers employed in offices of Controllers of Military Accounts is 32 ; of them seven are Muslims.

(b) No.

(c), (d) and (e). There is no reason to think that stenographers are not utilised for the work for which they have been engaged but, in order to make the position perfectly clear, orders will be issued to all Controllers.

MUSLIM INSPECTING ASSISTANT COMMISSIONERS AND PERSONAL ASSISTANTS TO COMMISSIONER OF INCOME-TAX IN THE PUNJAB, N. W. F., AND DELHI PROVINCES

1961. ***Mr. Ahmed E. H. Jaffer:** (a) Will the Honourable the Finance Member please state the number of Inspecting Assistant Commissioners of Income-tax in the Punjab, North Western Frontier and Delhi Provinces?

(b) Is it a fact that there is not a single Muslim Inspecting Assistant Commissioner in the whole area?

(c) Do Government propose to take steps to appoint half the number of Muslims to these posts? If not, why not?

(d) Is it a fact that the post of Personal Assistant to the Commissioner of Income-tax of the Punjab, North Western Frontier and Delhi Provinces has been held by non-Muslims for a considerably long time?

(e) If so, do Government propose to take steps to appoint a Muslim officer to this post? If not, why not?

Mr. K. G. Ambegaokar : (a) Four.

(b) No, Sir.

(c) Assistant Commissioners of Income-tax are appointed by promotion on the basis of selection from Income-tax Officers and they are posted to the Inspecting or the Appellate sides according to administrative needs and having regard to the suitability of the officers concerned to hold particular posts. The Government orders regarding reservation for communities do not apply to these posts. In the circumstances, while the claims of senior Income-tax Officers who are Muslims are considered for appointment as Assistant Commissioners, Inspecting or Appellate when vacancies arise, no particular proportion of these posts of either category can be reserved for any particular community.

(d) No, Sir.

(e) Does not arise.

Mr. Muhammad Nauman : When these appointments of four Assistant Commissioners were made from time to time, were Muslims considered and by what process?

Mr. K. G. Ambegaokar : As I have said, these appointments are made by promotion on the basis of selection of the senior-most officers on merit.

Mr. Muhammad Nauman : Am I to understand that there was no senior most Muslim of merit to be considered when these promotions were made ?

Mr. K. G. Ambegaokar : I think that follows.

EXEMPTION FROM INCOME-TAX TO BUSINESS INCOME IN TRIBAL AREAS

1962. ***Mr. Ahmed E. H. Jaffer :** (a) Will the Honourable the Finance Member please state whether it is a fact that all general exemptions were incorporated in the Indian Income Tax Act as amended in 1939?

(b) Is it also a fact that the exemption of not taxing business income in tribal area is specifically incorporated in Section (1) of the Income Tax Amendment Act, 1939?

(c) Why is it that when such specific exemption has been incorporated in the Income Tax Act, 1939, exception is being taken with regard to business income in the Baluchistan Tribal area?

(d) Are Government aware that it amounts to nullifying the provisions of Section (1) of the Income Tax Amendment Act, 1939?

(e) If the policy of the Government is to secure uniformity of legislation between the British India and the tribal area why has this special exemption been incorporated in the Income Tax Act?

(f) Is it a fact that Government did not want to apply the Income Tax Act to the tribal area?

(g) Do Government propose to issue instructions to the Income Tax Department not to tax business income in tribal area till such time as this exemption is withdrawn?

Mr. K. G. Ambegaokar : (a) No :

(b) I presume that the Honourable Member is referring to sub-section (2) of section 1 of the Indian Income-tax Act, 1922, and not to the Income-tax Amendment Act of 1939. According to this sub-section the Act does not apply to these persons in the tribal areas, who are neither servants of the Crown nor British subjects in the service of a local authority. Thus the income of these persons, whether from business or other sources will not be liable to tax under the Income-tax Act, 1922, if such income accrues outside British India. But as the Indian Income-tax Act, has been applied to some of the tribal areas, business income as also other incomes, in such areas will be liable to tax under the Act as applied.

(c), (d) and (e). I take it that the reference is to the Indian Income-tax Act, 1922. Under section 99 of the Government of India Act, 1935, the Central Legislature has no power to make laws to apply to persons outside British India, who are neither British subjects nor servants of the Crown. It is in view of the limitations imposed by the Government of India Act, 1935, that the scope of section 1 (2) of the Indian Income-tax Act, 1922, is restricted in its application to the tribal areas, which though they are in India are not part of British India. Uniformity of legislation is secured where necessary by the British Indian Act being extended to the area concerned by the authority competent to enact laws for that area; and there is no question of any conflict between such application and the restriction of extra-territorial jurisdiction in sub-section (2) of section 1 of the Income tax Act, 1922.

(f) No, Sir.

(g) In view of the answer to parts (b) to (e) the question does not arise.

Prof. N. G. Ranga : Are we to understand that these people who carry on their business in tribal areas escape the necessity for paying income-tax either in India or in England if they happen to be English people ?

Mr. K. G. Ambegaokar : I think my answer makes it clear that Indian Income-tax Act has been extended to the tribal areas by the authorities which are competent to make laws for tribal areas.

APPLICATION OF INCOME-TAX ACT TO TRIBAL AREA

1963. *Mr. Ahmed E. H. Jaffer: (a) Will the Honourable the Finance Member please state from what year the Income Tax Act has been applied to the Tribal areas in Baluchistan?

(b) If the act has been applied before 1939, why is it that Section (1) of the Income Tax Amendment Act, 1939, provides that the Act extends in tribal areas only to British subjects who are in the service of the Crown or local authorities established in the exercise of the powers of the Crown representative or the Central Government in that behalf and to all other servants of the Crown in the said area and not to business income?

Mr. K. G. Ambegaokar : (a) From 1922.

(b) I would invite the attention of the Honourable Member to the reply given to starred question No. 1962, on today's list of questions.

INDIANS AND OTHERS IN ARMY, NAVY AND AIR FORCES, THEIR PAY AND OTHER AMENITIES PROVIDED TO THEM

1964. *Mr. Sasanka Sekhar Sanyal: Will the War Secretary be pleased to state:

(a) the total strength on the 31st March, 1946, in the Indian Army, Indian Navy, Indian Air Force showing, separately, under each head the number of Indians and non-Indians;

(b) the comparative scales of remuneration, food, clothing and other miscellaneous amenities for Indians and non-Indians; and

(c) whether Government have under contemplation an overhaul of Military personnel and expenditure policy with a view to immediate Indianisation?

Mr. P. Mason : (a) I lay a statement on the table giving the latest available information.

(b) I must refer the Honourable Member to Army Regulations (India), Pay and Allowance Regulations, the Royal Warrants for Pay, Appointments, etc., and to the relevant Orders and Instructions of the three services which have been issued from time to time.

(c) Every method of speeding up nationalisation of the armed forces is continually under consideration.

Statement

Total strength of the Indian Army as on 1st March 1946—

OFFICERS

British (including British Service attached Indian Army)	32,484
Indians	15,210
*B. O. Rs.	53,306
V. C. Os.	38,270
I. O. Rs.	1,156,340
N. Os. (E).	294,820

* Including those attached to the Indian Army.

Total strength of the R. I. A. F.—

Officers, as on 31st March 1946	1,384
Airmen, as on 15th March 1946	21,740
Enrolled Followers, as on 15th March 1946	18,440

R.I.A.F. is purely an Indian Service and no non-Indians are serving in it.

Total strength of R. I. N. as on 31st March 1946—

OFFICERS AND WARRANT OFFICERS

Indians	1,410
Non-Indians	682
	(+ 56 R. N. on loan)

RATINGS

Indian	15,246†
Non-Indians	Nil.

† Excludes 4057 ratings in course of release but not yet written off.

Mr. Sasanka Sekhar Sanyal : With reference to part (b), may I know whether Government are taking steps for putting the British personnel and the Indian personnel on the same basis ?

Mr. P. Mason : As I have explained a large number of times, there is at present a committee which is considering all questions of accommodation, pay, and similar matters and also allowances of all kinds. But as I have also made clear on a number of occasions, they do not contemplate putting British and Indian personnel on exactly the same basis for the reasons which I have explained which are that the pay of soldiers in all countries is related to the general level of wages in that country and that is why American soldiers are paid more than British.

Mr. Sasanka Sekhar Sanyal : Do the Government intend to place before this committee their own ideas about eliminating as far as possible the British elements in the army with a view to getting reduction of cost in the army ?

Mr. P. Mason : I do not follow the first part of the question ?

Mr. Sasanka Sekhar Sanyal : With reference to part (c) will the Honourable Member please state whether Government have under contemplation the bringing of discharged British army men from abroad in order to dump them on the Indian army as a process of what is known as secondment.

Mr. P. Mason : Certainly not. All plans for the future composition and size of the armed forces are necessarily fluid because they will be decided eventually by the future Government but the provisional plans on which we are working are for a distinct reduction in the number of British personnel.

Mr. Sasanka Sekhar Sanyal : What is the policy of secondment ?

Mr. P. Mason : The policy of secondment has nothing to do with the number of troops in the country. That is a question which refers to officers. I have explained that also quite a number of times.

Mr. Manu Subedar : Will the Honourable Member give us some idea of the demobilisation of British troops. On a previous occasion he mentioned that it was not in the public interest to indicate what was their number in this country. Will the Honourable Member now mention the number of British troops in India ?

Mr. P. Mason : No, Sir. I am not allowed to give the number of troops in any theatre.

Mr. Manu Subedar : Is there any demobilisation going on ? Is it fairly rapidly ? Will the Honourable Member give us some idea of the pace ?

Mr. P. Mason : Of course demobilisation is going on very rapidly indeed.

Babu Ram Narayan Singh : Is it not a fact that British soldiers and officers get marriage allowance, children allowance, separation allowance and many other allowances, whereas Indian soldiers and officers get nothing ? If so, when will this distinction be abolished ?

Mr. P. Mason : As I have explained before for some time past these various allowances were given to British officers and soldiers but not to Indians. As regards Indian officers, the arrangements are now the same for both. In the case of soldiers there is a distinction to some extent, but the whole question is being considered by the committee to which I referred just now. I gave an answer to this specific question a week back.

Diwan Chaman Lal : In view of the reply to part (a) and his assurance that he laid a statement on the table of the House giving the total strength of Indians and non-Indians in the various services, how does it square with my Honourable friend's refusal to give the total number ?

Mr. P. Mason : What I said was I was not allowed to give the total number in any one theatre. It does not follow that all the troops in the Indian army are in India.

ANALYSIS OF PROF. VAKIL'S STATEMENTS BY GOVERNMENT

1965. ***Mr. Sasanka Sekhar Sanyal**: (a) Will the Honourable Member for Planning and Develolpiment be pleased to state:

(a) whether the attention of Government has been drawn to the statement of Prof. Vakil which appeared in the *Hindustan Times* on the 4th March, 1946;

(b) whether Government's attention has been drawn to another statement of the same Prof. Vakil which appeared in the *Commerce* on the 16th March, 1946;

(c) whether Government have examined the various implications of the said two statements; and

(d) whether Government have considered the question of analysing those points of the statements with which they agree and those with which they do not?

The Honourable Sir Akbar Hydari : (a) Yes.

(b) Yes.

(c) Yes.

(d) Government do not consider that any such detailed analysis would lead to useful reports.

Mr. Sasanka Sekhar Sanyal : Will the Honourable Member please consider the question of circulating these reports, and the statement of Prof. Vakil amongst the Members of the Standing Committee ?

The Honourable Sir Akbar Hydari : Honourable Members have already seen them in the Press.

Prof. N. G. Ranga : Are we to understand that the Government also have the same impression that has been produced in this country as a result of the statement of Prof. Vakil, that the Planning Department really does not want planning ?

The Honourable Sir Akbar Hydari : Economists should be on tap and not on top. Prof. Vakil has made certain statements. I have read them. I have considered them. I do not think any further time should be spent on them in any such detailed analysis as my Honorable friend suggests.

Mr. Manu Subedar : May I know whether any reorganisation department is being planned in view of the criticisms not only by Prof. Vakil but from many other quarters ?

The Honourable Sir Akbar Hydari : What other quarters ?

Mr. Manu Subedar : From discussion in this House, from Honourable Members of this House.

The Honourable Sir Akbar Hydari : I do know that some of the Honourable Members opposite have criticised the direction of the Department by my distinguished predecessor, but I do not think any of them criticised in any detail the organisation of the department nor have they made any constructive proposals to that end.

Mr. Manu Subedar : Proposals for the reorganisation of the Department have been made but are the Government of India content to leave the Department as it is now ?

The Honourable Sir Akbar Hydari : We are never content with things as they are. We are constantly improving, subject to the limitation of personnel and so on.

Shri Mohan Lal Saksena : Is it not a fact that Mr. Vakil said that most of the planning is done more outside the Department than in the Department ? Is it true

The Honourable Sir Akbar Hydari : I have on various occasions explained that we have had assistance of considerable numbers of distinguished non-officials and experts who are not full time members of the Department, but who have given their services free in the national interest. To that extent the statement is certainly true.

Babu Ram Narayan Singh : What is that statement ?

Mr. President : That is going into some other details.

Diwan Chaman Lal : Has my Honourable friend considered the suggestion made by Professor Vakil for the appointment of a supreme economic council and a council for economic research ?

The Honourable Sir Akbar Hydari : No, Sir.

Mr. Sasanka Sekhar Sanyal : Will the Honourable Member consider the desirability of issuing a press communique at the instance of Government pointing out what suggestions and criticisms of Professor Vakil are accepted by Government ?

The Honourable Sir Akbar Hydari : No, I do not propose to do that.

Sri M. Ananthasayanam Ayyangar : May I know from the Honourable Member in particular whether there is any proposal to have any national planning commission as suggested by Professor Vakil in his newspaper article ?

The Honourable Sir Akbar Hydari : No, Sir.

Sri M. Ananthasayanam Ayyangar : How then is the Honourable Member considering the coordination of the various schemes that have been sent to the provinces? Is he bringing into existence any committee ?

The Honourable Sir Akbar Hydari : The best method of coordination is to get into council with the popular ministries now being formed in the various provinces; and that I propose to do.

OBSERVATIONS OF PROF. VAKIL AND EXAMINATION OF POLICY *RE* PLANNING AND DEVELOPMENT

1966. ***Mr. Sasanka Sekhar Sanyal**: Will the Honourable Member for Planning and Development be pleased to state:

(a) whether Government have considered the desirability of issuing a communique setting forth their reaction upon the observations of Prof. Vakil;

(b) whether the question of policy with regard to the planning and development has been examined by the Executive Council after the said statements came out or after the recent budget debates in the Assembly;

(c) whether the Government are satisfied that the present Industrial Adviser and his Secretariat have got the required scientific and technical knowledge and experience; and

(d) whether the various aspects referred to in the foregoing parts of the question have been placed for discussion before the Standing Committee of the House; if not, whether they are going to be placed?

The Honourable Sir Akbar Hydari : (a) No.

(b) I cannot disclose what transpires in the Executive Council.

(c) Yes.

(d) If the Honourable Members on the Standing Committee desire that this should be placed before them at one of their meetings, I shall certainly consider the suggestion.

Mr. Sasanka Sekhar Sanyal : With reference to part (a), may I know the reasons ?

The Honourable Sir Akbar Hydari : It is only my judgment, but I do not think that a communique is necessary in this case. Professor Vakil has made a statement and he has broadcast it in various journals ; it is up to anybody to form his own judgment.

Mr. Sasanka Sekhar Sanyal : Is the Honourable Member sure that his judgment is not coloured by prejudice because of the fact.....

President : Order, order.

Shri Mohan Lal Saksena : With reference to part (c), has not Professor Vakil complained that in many cases these I.C.S. officers, who do not know the subject, make comments on reports of experts ?

The Honourable Sir Akbar Hydari : Yes, Sir, I have seen that allegation.

Shri Mohan Lal Saksena : To what extent is that statement correct ? Has the Honourable member taken the trouble to inquire in the matter ?

Mr. President : These are matters of opinion.

Shri Mohan Lal Saksena : There is an allegation that these I. C. S. officers interfere in the work of planning, in as much as experts are appointed to make suggestions and without knowing anything of the subject the I.C.S. officers comment on them. I want to know whether the Honourable Member has made any inquiries into the correctness or otherwise of this allegation.

The Honourable Sir Akbar Hydari : I have made no inquiries because I happen to know the working of my own Department.

Sri M. Ananthasayanam Ayyangar : Are Government considering the desirability of calling a meeting of the Standing Committee for Planning now or soon after the close of this Session in order to consider the various schemes and evolve a central scheme ?

The Honourable Sir Akbar Hydari : As I have said before, I shall call a meeting of the Committee as soon as it is feasible, but I think we all need a little rest after this Session.

Prof. N. G. Ranga : Will Government also consider the advisability of convening a conference of the Provincial Ministers concerned with planning for the purpose in conjunction with a meeting of the Standing Committee of this House for Planning ?

The Honourable Sir Akbar Hydari : No, not in conjunction.

Prof. N. G. Ranga : Independently ?

The Honourable Sir Akbar Hydari : Yes.

INCREASED PURCHASE PRICE OF SALT

1967. *Pundit Thakur Das Bhargava: (a) Will the Honourable the Finance Member kindly state if it is a fact that Salt dealers used to purchase Salt directly from the Salt Department before the 1st March, 1946, and that now they are required to buy the same from departmental agents and to pay Rs. 0/1/6 per maund more?

(b) Are Government aware that this change is likely to result in increasing the price of Salt and is virtually an addition to the incidence of Salt Tax on consumers?

(c) What benefits do Government propose to derive from this change?

(d) What is the cost price of Sambhar Salt, and what is its present market rate?

(e) Are Government aware that every increase in the price of Salt, however so small, has a prejudicial effect upon the health of human beings and cattle in this country?

The Honourable Sir Archibald Rowlands : (a) If by Departmental agents the Honourable Member is thinking of authorised traders, the answer is, Yes, Sir.

(b) No, Sir ; not necessarily.

(c) Government is always anxious to give up controls necessitated by war conditions.

(d) The cost price of salt at Sambhar is Rs. 1/14/3 per maund inclusive of duty of Rs. 1/9/-. The market rate varies from place to place.

(e) I am sorry, Sir, I have not been able to consult the cattle : but, so far as human beings are concerned, the question is not likely to arise in the present case.

Prof. N. G. Ranga : Is it a fact that a representation from the people affected has been communicated to the Honourable Member ? If so, has the Honourable Member come to any conclusion in regard to the complaint made by these people who are aggrieved by the rise of the price of salt ?

The Honourable Sir Archibald Rowlands : I do not think the price has risen.

Prof. N. G. Ranga : What about Sambhar salt ?

The Honourable Sir Archibald Rowlands : No, Sir.

Mr. Mann Subedar: The Honourable Member said in his Budget Speech that some reorganisation of the distribution machinery of salt may probably result in a benefit to the consumer by bringing down the price. May I know if the department is looking into this subject and if any progress has been made in this direction ?

The Honourable Sir Archibald Rowlands : Most emphatically, Sir. In fact I spent several months on studying the problem already.

Pundit Thakur Das Bhargava : Has Mahatma Gandhi advised the Honourable Member to abolish the salt duty and to allow free manufacture of salt ?

The Honourable Sir Archibald Rowlands : What passed between Mahatma Gandhi and myself must regard as confidential.

REFUSAL FOR RENEWALS OF ARMS LICENCE DUE TO ABSENCE OF WAR SERVICES

1968. ***Pundit Thakur Das Bhargava**: (a) Will the Honourable the Home Member kindly state if it is a fact that authorities regard the absence of War Services a specific disqualification for the yearly renewal of a licence for arms?

(b) Is there any such circular in existence authorising authorities to refuse annual renewals of licence for arms on the ground of absence of War Services?

(c) Is it a fact that information is asked for from licencees as to what War Services they have performed before licences for arms are renewed?

The Honourable Sir John Thorne : (a) and (b) . There is no circular issued by the Central Government or current in Centrally Administered areas under which licensing authorities are required to refuse licences specifically on the ground that the applicant has not rendered war service. The absence of war service is not a specific disqualification for the renewal of a licence.

(c) I have no information as to the practice in each Province ; but I should doubt whether it is generally as suggested.

Pundit Thakur Das Bhargava : Is the Honourable Member aware that in the Punjab this is the practice ? And will he be pleased to issue a circular that such information should not be asked for and should not be considered against any people ?

The Honourable Sir John Thorne : I am not quite certain which part of the question my Honourable friend is referring to,—whether it is that the absence of war service is a specific disqualification, or whether applicants are asked what war service they have performed.

Pundit Thakur Das Bhargava : I refer to part (c).

The Honourable Sir John Thorne : I will certainly make inquiries.

Prof. N. G. Ranga : Will the Honourable Member communicate this question and his answer to all the Provincial Governments for their information ?

The Honourable Sir John Thorne : I have no objection to that, but I do not think myself there is any point in it.

EXCLUSION OF INDIANS FROM NEWLY FORMED ALL BRITISH SERVICE OF LANDS, HIRINGS AND DISPOSALS

1969. ***Shri D. P. Karmarkar**: (a) Will the War Secretary be pleased to state if it is a fact that most British Officers of Cantonment Departments are shortly due to retire or have applied to retire prematurely and that consequently, Government are considering the winding up of Cantonment Departments by transfer of their British officers who desire to stay to the newly formed all British Service of lands, Hirings and Disposals?

(b) When was this latter service first formed, and with what purpose? Is it a fact that it took over from the Cantonment Departments, Lands Branch, most of their duties regarding Military lands, and that in the discharge of their duties, which are parallel, these two services often intrude into each others domain?

(c) What are the reasons for the exclusion of Indians from this newly-formed service?

Mr. P. Mason : (a) No, Sir. Two British Officers have been granted leave pending retirement. No decision to wind up the Cantonments Department has been taken.

(b) The Lands, Hirings and Disposals Service was formed in October, 1944 for the purpose of dealing with all lands and buildings acquired or leased for war purposes only, since the 3rd September, 1939. The duties taken over are quite distinct from the pre-war and present duties of the Lands Branch of the Cantonments Department, and they do not intrude on each other's domain.

(c) Indians are not excluded from this service.

Prof. N. G. Ranga : How many Indians are there in this service ?

Mr. P. Mason : They are 40 in number. There are at the moment 114 British of whom 51 are due for release in the next four months.

Prof. N. G. Ranga : Are Government thinking of appointing Indians in place of those Britishers who are to retire ?

Mr. P. Mason : Of course, Sir. The only thing is that it is very difficult to find anyone at all, either British or Indian who has the qualifications or knowledge of the work of an Estate Agent.

Prof. N. G. Ranga : Are any efforts being made to train Indians to enable them to take up that work ?

Mr. P. Mason : It takes six or seven years, and we hope to finish the work long before that.

SENIORITY OF BRITISH OFFICERS OF LANDS BRANCH, CANTONMENT DEPARTMENT OVER INDIAN OFFICERS

1970. ***Shri D. P. Karmarkar :** (a) Will the War Secretary please state if it is a fact that all officers of the Lands Branch, Cantonment Department, though originally recruited from the Indian Army, are now Civil officers of a Central Service?

(b) Is it a fact that these officers dress in Military uniform? If so, why?

(c) Is it a fact that all British officers dress as Lieut.-Colonels and that the Indian officers wear the uniform of captains irrespective of the years of service they have put in?

(d) Are Government aware that in Local Military Circles this is taken to imply that all British Military Estates Officers are to be considered senior officers, while Indian Military Estates Officers, irrespective of their seniority in the Department, are treated as very junior officers?

Mr. P. Mason : (a) Yes, Sir. Officers of the Lands Branch, Cantonments Department, are military officers in civil employ and form a central service under the control of the Central Government in the War Department.

(b) Officers of the Cantonments Department now wear mufti. During the War they were permitted to wear uniform appropriate to their rank.

(c) No, Sir. Whoever had military rank wore the uniform appropriate thereto.

(d) There are no grounds for any such impression.

RE-EMPLOYMENT OF LT.-COLONELS WELMAN AND GRAVESTON OF CANTONMENT DEPARTMENT, LANDS BRANCH, AFTER SUPERANNUATION

1971. ***Shri D. P. Karmarkar :** (a) Will the War Secretary be pleased to state if it is a fact that Colonels Welman and Granestone of the Cantonment

Department, Lands Branch, who retired from service in 1943 on reaching the age of 55, have still been retained in service?

(b) What salaries do these two retired re-employed British officers draw now?

(c) What is the maximum salary that is being paid to senior most Indian officer of this Department? What is the reason for the disparity between this salary and the salaries of the above-mentioned two officers?

(d) How are the two above-mentioned officers placed for the purpose of departmental seniority? Are they junior to all regular officers of the Department or only juniors to all British Officers of the Department, but senior to all Indian officers?

(e) Is it a fact that in 1945 these two officers were made to officiate as Deputy Directors of Military Lands and Cantonments over the heads of senior Indian officer till such time as certain other British officers returned from War?

(f) What are the names and years of departmental services put in by the officers who were Deputy Assistant Directors of the Commands and the Lands and Cantonment section, when these two retired officers were moved from Karachi and Ambala to Rawalpindi and Agra, respectively, to officiate as Deputy Directors?

(g) What pay did these officers draw when officiating as Deputy Directors, and for what periods did they officiate as such?

Mr. P. Mason: (a) Yes, Sir. During the war it was not possible to make any fresh recruitment from the Indian Army and the Cantonments Department is therefore extremely short of experienced officers. This shortage was partly made up by re-employing two retired officers, viz., Lt.-Cols. Welman and Graveston (not Granestone).

(b) They have been re-employed on the pay of the appointments held by them, viz. Rs. 1,950 p.m. less pension admissible to them. The net pay drawn by them comes to about Rs. 1,124 p.m.

(c) The pay at present drawn by the senior most Indian Officer of the Department who is a Viceroy's Commissioned Officer, is Rs. 880 p.m. The maximum pay admissible would be Rs. 930/- p.m.

The reason for the disparity is that the two officers mentioned are King's Commissioned Officers while the other happens to be a Viceroy's Commissioned Officer.

(d) They are technically junior to all regular officers of the Department, including the Indian officers, because they are re-employed, but they are naturally more experienced than the younger men.

(e) No, Sir. These two officers officiated as matter of administrative convenience in short leave vacancies as Deputy Director's, Military Lands and Cantonments, in short leave vacancies only because they had previous experience of the posts. The next senior officers, to whom the promotion might normally have gone were British.

(f) No full-time Deputy Assistant Directors were appointed at Command Headquarters at the time. The Military Estates Officers, of the two Circles, were carrying out the duties of Deputy Assistant Directors in addition to their own duties. These officers were Honorary Captains Khudadad Khan, M.B.E., in Northern Command and Rachpal Singh in Central Command and their departmental service was 17 and 18 years, respectively. They are both Viceroy's Commissioned Officers, and on the grounds of rank alone could not have held the posts of Deputy Director.

(g) They drew pay at Rs. 2,145 p.m. less their pension—Rs. 1,319 p.m. only. Lt.-Col. Graveston officiated for one month and 27 days and Lt.-Col. Welman for 27 days.

Shri D. P. Karmarkar : With reference to his answer to part (a) of the question, will the Honourable Member say how long is it proposed to keep these officers in service?

Mr. P. Mason : Until the shortage has disappeared.

Diwan Chaman Lall : What are their special qualifications ?

Mr. P. Mason : Years of service in the Department.

Diwan Chaman Lall : Are there any Indians with more years of service ?

Mr. P. Mason : Not with so many.

Diwan Chaman Lall : The difference is merely the length of time ?

Mr. P. Mason : It is a matter of shortage of officers and we want officers who are experienced.

Diwan Chaman Lall : Are there any Indian officers in the Department who are particularly experienced because of their length of service in this particular department ?

Mr. P. Mason : Yes, Sir.

Diwan Chaman Lall : Why not appoint them ?

Mr. P. Mason : They are appointed.

Mr. Manu Subedar : Are there no Indians working immediately under these officers who may have picked up the work and who have got years of work at their credit ?

Mr. P. Mason : There are no Indians working immediately below them. As I have explained in my rather lengthy answer, and I must say, Sir, that I think the attention this matter is receiving is disproportionate to the importance of the question as it is an officiating vacancy for about a month in each case, all the officers immediately junior to them in length of service are British.

Shri D. P. Karmarkar : Do I understand that there is no age limit in respect of tenure of these officers, and are they to remain in service as long as they live ?

Mr. P. Mason : I hope the shortage will come to an end before that.

Diwan Chaman Lall : Do they belong to the club for the 'superannuated, retired and re-employed' ?

(No reply was given.)

WHEREABOUTS OF DR. J. C. DAS GUPTA, PH. D. (BERLIN) IN GERMANY

1972. ***Sree Satyapriya Banerjee :** Will the Honourable the Home Member be pleased to state.

(a) the whereabouts of Dr. J. C. Das Gupta, Ph.D. (Berlin), in Germany;

(b) whether he is under arrest;

(c) whether he carried on business in Germany for a long time under the name and style of Dr. J. C. Das Gupta and Company; and

(d) whether he will be allowed to return to India if he so desires?

The Honourable Sir John Thorne : (a) to (d). No one of this name is among the persons reported to be under arrest in Germany; nor have the Government of India any other information about him. If fuller details such as his parentage and last known address are furnished, enquiries will be made.

EXECUTIVE POSTS IN AJMER-MERWARA TRANSFERABLE WITH POSTS IN UNITED PROVINCES

1973. ***Pandit Mukut Bihari Lal Bhargava :** (a) Will the Honourable the Home Member be pleased to state if it is a fact that a number of executive posts in the Province of Ajmer-Merwara have recently been made transferable with similar posts in the Province of United Provinces? If so, what are these posts, and what advantage have Government in view for taking the step?

(b) How do Government contemplate to fill up vacancies caused in such posts by retirement or otherwise?

(c) Are Government prepared to give an assurance that vacancies in such posts will be filled in only from local men and that the rights of the local men will not be prejudiced by such transfers?

(d) Are Government contemplating to adopt similar procedure in respect of transfer of posts of Judges also? If not, why not?

The Honourable Sir John Thorne : (a) A proposal is under consideration to include certain executive posts in the Ajmer-Merwara Civil Service in a joint cadre with the U.P. Civil Service. The object is to provide a wider field of appointment and experience than is afforded by a small local cadre.

(b) and (c). Vacancies in the Ajmer-Merwara posts borne on the joint cadre will be filled by officers drawn from that cadre.

The interests of residents of Ajmer-Merwara will be preserved by making them eligible for appointment to the U.P. executive Civil Service.

(d) No. The existing arrangements for staffing the judicial posts in Ajmer-Merwara are considered adequate and satisfactory.

Prof. N. G. Ranga : Is it not generally the case that the laws passed in the United Provinces are made applicable to the province of Ajmer-Merwara, and, therefore, will it not be just as convenient to apply the same principle of having the joint cadre as between the United Provinces Judicial Officers and Ajmer-Merwara Judicial Officers ?

The Honourable Sir John Thorne : I am quite prepared to look into the matter again with special attention to that point. It was not a point, so far as I know, which had arisen in the previous consideration of the subject.

POST-WAR RE-CONSTRUCTION, PLANNING AND DEVELOPMENT IN AJMER-MERWARA

1974. *Pandit Mukut Bihari Lal Bhargava: (a) Will the Honourable Member for Planning and Development please state how much amount Government propose to spend in Ajmer-Merwara in the year 1946-47 in respect of the post-war re-construction Planning and Development Scheme?

(b) Have any definite schemes been prepared so far? If so, what are these schemes, and how much amount do Government propose to spend on such schemes, separately?

(c) Have Government sounded public opinion in respect of the schemes under contemplation? If so, in what way? If not, why not?

The Honourable Sir Akbar Hydari : (a) About Rs. 25 lakhs.

(b) Yes. A statement giving particulars of the schemes approved so far is laid on the table.

(c) Some of the schemes will in the usual course be put before the Standing Finance Committee. Most of the schemes will form part of Ajmer-Merwara's 5-years Development Plan to advise on which there is a local Reconstruction Committee.

Statement of schemes approved so far and their cost in 1946-47

	Rs.
I. Animal Husbandry—	
1. Sheep breeding	13,000
2. Animal Health	63,000
3. Training of staff	5,860
4. 10 year Development schemes	21,800
Total	1,03,660

	Rs.
II. Marketing—	
1. Construction of Khaties and Godowns (for regulating the markets and marketing in Ajmer-Merwara).	25,000
2. Acquisition of buildings and purchase of apparatus (expansion and enforcement of Pure Food Act).	12,000
3. Purchase of carding and raising machines and certain materials and the training of the staff in connection with the utilization of graded wool.	13,000
Total	50,000
III. Co-operation—	
1. Acquisition of lands for sale and supply unions and 16 stores .	25,000
2. Training of three Inspectors and 22 Sub-Inspectors	3,380
Total	28,380
IV. Agriculture—	
1. Central Farm	83,000
2. Experimental Farms	96,000
3. Training of staff	37,480
Total	2,16,480
V. Forests—	
1. Propaganda work and detailed examination of waste Shamlat lands.	21,400
2. Additional staff	8,700
3. Construction of wall for extension of Pushkar Garden and Nursery	20,900
4. Cost of training of one Ranger and two Assistant Rangers . . .	4,766
5. Cost of certain afforestation measures to be taken up in advance of Post-war schemes.	4,270
Total .	62,366
VI. Medical and Public Health—	
1. Establishment of anti-malaria organisation in Ajmer-Merwara .	2,00,000
2. Ajmer-Water Supply Scheme	6,00,000
Total	8,00,000

Shri Mohan Lal Saksena : In view of the fact that there is no Legislative Assembly in Ajmer-Merwara as in other provinces, will the Government consider the advisability of appointing an Advisory Planning Committee for Ajmer-Merwara ?

The Honourable Sir Akbar Hydari : I have just now said that there is a local Reconstruction Committee.

Prof. N. G. Ranga : As the Honourable Member has said Government propose to spend about 25 lakhs of rupees. May I know if the plans are so comprehensive as to include health and education plans also ?

The Honourable Sir Akbar Hydari : All the plans have not been received, but they are comprehensive.

SOLDIERS AND OFFICERS IN ARMY AND OTHER WAR SERVICES FROM AJMER-MERWARA

1975. *Pandit Mukut Bihari Lal Bhargava: Will the War Secretary be pleased to state:

(a) the number of soldiers and officers in the Army and other war services recruited from the Province of Ajmer-Merwara during the last war;

(b) the number of soldiers and officers already demobilised or on the way of demobilisation, and the number of soldiers and officers who will be retained permanently;

(c) the number of soldiers and officers who joined the I.N.A.; how many have been released so far, how many are still in detention, and when they are expected to be released; and

(d) how many of them are likely to be prosecuted, and what their names are?

Mr. P. Mason : I presume, Sir, that the whole question refers to the province of Ajmer-Mewara.

(a) The number of other ranks recruited in the Indian Army from Ajmer Merwara from the beginning of the war to the 30th of September, 1945, was 5,312. The total number of officers recruited during the period is not available. On 31st January, 1946, however, there were 27 officers serving in the Indian Army from that area. Four officers and 66 airmen were recruited from there into the R. I. A. F. during the war. Figures for the R.I.N. are not available.

(b) 1,063 soldiers and three officers of the Indian Army belonging to Ajmer-Merwara had been demobilized up to the end of February 1946. A further 733 soldiers and nine officers will be demobilised by the end of July 1946. Figures for the R.I.N. and the R.I.A.F. are not available.

It is not at present possible to give an estimate of the men and officers from this province who will be retained permanently.

(c) The information is not available and cannot be collected without a great deal of research and enquiry.

(d) None, Sir.

INDUSTRIAL ADVISOR TO GOVERNMENT OF INDIA

1976. ***Mr. Sasanka Sekhar Sanyal:** Will the Honourable Member for Planning and Development be pleased to state:

(a) whether industrial planning is the only planning that has upto now been taken up by Government; if so, the reasons;

(b) the age, salary, past experience, special claims and special and general qualifications of the present Industrial Advisor to the Government of India; whether he got the appointment after it was advertised, and whether the Public Services Commission had anything to do with it;

(c) the qualifications, general and special, of the Industrial Advisor who just preceded the present incumbent, and why and under what circumstances he left the job;

(d) how many gazetted officers are attached to the Office of the Industrial Advisor, the general and special qualifications of each of them and the nature of work and salary of each of them;

(e) how many scientists, technicians and experts there are in the personnel of the Planning and Development Department; and the policy of Government in the matter of getting specialists and experts for holding the appointment of Industrial Advisor and important Assistants in the Department; and

(f) whether Government have any panel of specialists and experts and technicians, and whether Government have collected information from abroad as to how advanced countries man their Industrial, Planning and Development Departments?

The Honourable Sir Akbar Hydari : (a) No. Planning of every important aspect of the economic life of the country has been taken up.

(b) Age 58 : salary Rs. 3,750 per month including his pension. Regarding his qualifications and experience, I invite the Honourable Member's attention to my reply to part (b) of unstarred Question No. 176, of the 4th April, 1946. The post

Was not advertised ; but the concurrence of the Federal Public Service Commission for filling up the post by departmental selection was obtained.

(c) He was an officer of the Indian Service of Engineers, and had been the Chief Engineer and Secretary to the Government of the Punjab, in the Public Works Department, Buildings and Roads Branch. He left on his appointment as head of the India Supply Mission at Washington.

(d) and *1st part* of (e). A statement is laid on the table of the House.

Second part of (e). The policy is to recruit the best talent available.

(f) As has frequently been stated in this House and elsewhere, 28 Panels have been appointed by the Planning and Development Department for investigating into and making recommendations for the planning and development of the major industries. A list of these Panels and the industries with which they are concerned is available in the Library of the House. Regarding other subjects each of the Departments of the Government of India concerned has a set of specialists, experts and technicians to advise and help them in their work. The Planning and Development Department are constantly collecting information on the work done in other countries and by other Governments in the same field. The utmost attempt is made to learn from the experience of others ; both, by sending our own men abroad for the purpose, and obtaining foreign experts where necessary ; and by studying the literature on the subject.

Statement showing the Gazetted Officers in I.A.'s Office and Experts in the Planning and Development Department

Serial No.	Designation of Post	No. of Posts	Name of incumbent	Qualifications.	Salary P.M.	Work Allotted
1	Industrial Adviser.	One	Mr. H. K. Kirpalani	I. C. S. (retired); lately Adviser to the Governor of Bombay.	Rs. 3,750 (including pension).	
2	Deputy Industrial Adviser.	Seven	(1) Mr. K. C. Cooper (2) Dr. M. K. Maitra (3) Dr. Aswath Narayana Rao (4) Mr. C. S. N. Reju (5) Mr. T. B. Merchant	Lately Deputy Controller of Supplies, Bengal. D.Sc., Ph.D. (London), D.I.C., A.R.C.S., lately Joint Chief Controller of Explosives, Labour Dept., Government of India. D.Sc. (London); A.I.C., F.R.I.C., lately General Manager of the Mysore Govt. Industrial and Testing Laboratories; Technical Assistant to Director of Chemical Engineering and Chemical Industries, Mysore, Technical Secretary to the Mysore, Board of Scientific and Industrial Research. Graduate of the Madras University, M.Sc., in Mechanical Engineering in (Massachusetts); worked as apprentice Engineer with M/s. Balcock & Nilcox Ltd., U. S. A. As Test Engineer in the Steam Power Service Electric and Gas Co., of new Jersey. U.S.A. Inspector of Steam Boilers & Prime Movers, Government of Madras for 5 years; from May 1934 upto his joining incharge of the Power Systems of the Tata Iron and Steel Co., Jamshedpore. B.Sc. (Tech.) (Manch.) A. N. I. E. (Ind.) A. Amer. I.E.E. (America), An Officer of the Indian Stores Deptt. lately Development Officer (Electrical) of the I. & C. S. Department.	1,450 1,450 1,500 2,500 1,800	Secy. to Panels. Iron & Steel (Major) & (Minor) Ship Building & Marine Engineering. Secy. to Panels for (1) Fine Chemicals & Pharmaceuticals. (2) Sugar Alcohol and Food Yeast. Secy. to Panel for (1) Heavy Chemical Industries (2) Electr : Chemical Industries (3) Soaps and Oil and Paints and Var. nishes. Secy. to Panels; Industrial Plant and Machinery Sub-Panel for Food Rollers. Electrical Machinery and Equipment and Sub-panel for Equipment.

STARRED QUESTIONS AND ANSWERS

(6) Mr. S. S. Iyengar	B.E. (Bombay) A. M. I. E. (Ind.), A. M. I., Mech., E. (London); M. I. Brit. F. (Lond.) A.M.I., Loco E. (Lond) Lately Deputy Assistant Controller General of Inspection (Machine Tools) Civil Wing, Supply Deptt.	2,000	Secy. to Panel for Machine Tool Light Engineering.
(7) Mr. V.S. Krishna Swamy	M.A. A permanent Officer of the Railway Accounts, lately Under Secy. of the I. & C. S. Department.	1,300	Administration and Coordination.
3 Assistant Industrial Adviser	(1) Mr. Anand Swarup Bhatnagar.	750	Secy. to Panel for (1) Paper, Pulp, Wood Pulp, Chemicals Cotton, Paste Boards, Straw Boards. (2) Plastic & Celluloid (3) Rayon and Artificial Silk. (4) Hosiery (5) Ready made clothing.
(2) Mr. A. K. Dutta	B.Sc. (London) Asstt. Editor, Eastern Economist.	600	Secy. to Panel for (1) Glass (2) Refractories and Scientific Leather, wool, Instruments.
(3) Mr. Humayun Mirza	An Ex-officer of the Mysore Civil Service and ex-Dewan of Banganpalle.	750	Secy. for Panel to—Silk, Coirroppe and Cordage.
4 Adviser on Mineral Development	Dr. D. N. Wadia	2,000	M.A., B.Sc., F.C.S., F.R.C.S., F.R.A., S.B., F. N.I., President, National Institute of Science, India. Retired-Geologist, Geological Survey of India. Formerly Chief Geologist, Ceylon Government, Twice appointed Chairman of the Indian Science Congress (Geological Section).

Mr. Sasanka Sekhar Sanyal : Will the Honourable Member be pleased to state whether the Government of India invites the Provincial Governments, asking the latter to suggest names of specialists who might be useful for planning and development ?

The Honourable Sir Akbar Hydari : No specialists have been appointed in my time, and therefore I do not know what procedure was followed by my predecessor in appointing these specialists. I will find it out if the Honourable Member wants to know.

Shri Mohan Lal Saksena : Since those experts are being retained during the tenure of office of the Honourable Member, it is his duty to see whether they are discharging their duties properly.

The Honourable Sir Akbar Hydari : That is a different question. Of course it is my duty and I am satisfied with those whom I have retained. Some of them I have dispensed with.

Prof. N. G. Ranga : Will the Honourable Member put himself in touch with Dr. Kumarappa who is conducting the All India Village Industries.

The Honourable Sir Akbar Hydari : I could not follow.

Mr. President : Will he put himself in touch with Dr. Kumarappa from day to day?

Prof. N. G. Ranga : Will the Honourable Member put himself into touch with Dr. Kumarappa who is making a number of researches for cottage industries ?

The Honourable Sir Akbar Hydari : I think some of my officers are already in touch with Dr. Kumarappa.

Mr. Sasanka Sekhar Sanyal : Will the Honourable Member be pleased to state whether the Government of India invites the Science Congress to give their suggestions in planning and development ?

The Honourable Sir Akbar Hydari : I think what my Honourable friend refer to is the Council of Industrial and Scientific Research and not the Science Congress.

Mr. Sasanka Sekhar Sanyal : I mean the Indian Science Congress.

The Honourable Sir Akbar Hydari : This only meets once a year for a few days. It is hardly a body which could advise us on our day to day problems.

Mr. Sasanka Sekhar Sanyal : Will the Honourable Member consider the question of inviting information from the Science Congress ?

The Honourable Sir Akbar Hydari : I will.

Shri Mohan Lal Saksena : Did he ask for suggestion from the Planning Committee of Bombay ?

The Honourable Sir Akbar Hydari : It has not fallen to me to do so. But my predecessor sent Professor Vakil, who was then one of the advisers to assist the Planning Committee when his services were called for.

Mr. Sasanka Sekhar Sanyal : In view of the large number of questions that have been raised in connection with the Planning and Development Department on the floor of the House today and before, will the Honourable Member consider the desirability of immediately calling a meeting of the Standing Committee of the House either in the course of this month or early next month.

The Honourable Sir Akbar Hydari : Yes, certainly.

SORTING OUT RATINGS WHO COULD ASSIST IN SUPPRESSION OF MUTINY

1977. ***Mr. Manu Subedar :** (a) Is any attempt being made by the War Secretary to sort out ratings on the basis that these could be relied upon to assist in the suppression of a mutiny by all means in future ?

(b) Has a circular to this effect by the Flag Officer, Bombay, to the Commanding Officers of ships in his charge been issued ?

(c) Have Government's attention been drawn to the paragraph in the *Blitz* of Bombay, dated the 23rd March, 1946, reading as follows:

"Is it true that Vice-Admiral Rattray of the RIN has circularised all officers to report as soon as possible the official numbers, names, caste, or religion and province of origin of all ratings who, they consider, would not take part in any future mutiny and who, if they could be isolated at an early date and concentrated, could be relied upon to assist in the suppression of a mutiny by all means"?

(d) Have any ratings been isolated and concentrated on the basis indicated above?

(e) Did the General Headquarters send any such instructions to the Flag Officer, or has the Flag Officer reported on the steps, which he is taking in the direction indicated above?

(f) What reports have Government received indicating the causes of the recent discontent amongst the ratings and the course of events?

Mr. P. Mason : (a) No, Sir.

(b) Yes, Sir.

(c) Yes, Sir, since receipt of your question.

(d) No, Sir.

(e) I assume that the Honourable Member means Naval Headquarters. Naval Headquarters had issued no instructions to this effect and the Flag Officer, Bombay has now been instructed to take no further action in this matter.

(f) These, Sir, are for consideration by the Commission now sitting.

Mr. Manu Subedar: The Honourable Member said 'No' to (a). If that is so, how does he justify his 'Yes' to the further question in the sense that a circular to this effect was sent out? Information was collected, some ratings have been isolated from the others on the ground that whatever test they may have had for separating, some people have been separated from others. What is that test? I want to know.

Mr. P. Mason : The first question is how I reconcile my answer to (d) with my answer to (b). In that I refer to my answer to (e) in which it was said that Naval Headquarters had issued no instructions to this effect and that the Flag Officer, Bombay, has been instructed to take no further action in the matter. I trust that that satisfies the Honourable Member's uncertainty on that point.

The second point was whether any test was actually carried out, and as far as I know no test was carried out. A few of the commanding officers who were addressed gave their replies but they were based on personal opinions and that is one reason why we told the flag officer to go no further because a report based on personal opinion could have no value whatever.

Mr. Manu Subedar : I am anxious that there will be no victimization. I do not object to whatever proper measures the defence authorities take in the matter, but will the Honourable Member assure me that in the sort of action which was initiated by a local official in Bombay and not from Headquarters there will be no victimization of innocent persons who may be isolated arbitrarily from the others.

Mr. P. Mason : I cannot possibly be expected to give an assurance that every officer will always act in accordance with his instructions. I can only give you an assurance as to the instructions issued from here. As far as that is concerned, I have given that assurance before and in this case, as I say, we have told local officers to drop the whole matter.

Prof. N. G. Ranga : What steps do the Government of India take to see that the assurances they give here are actually brought to the notice of the responsible officers in their defence forces?

Mr. P. Mason : Constant tours.

Mr. Manu Subedar : Have the Government reprimanded any officers for going beyond the instructions given from the Centre and creating situations of the kind which we discuss here?

Mr. P. Mason : If that were the case, it would be a confidential matter and would not be disclosed.

**GOVERNMENT DEPARTMENT DEALING WITH STATISTICS FOR
PLANNING AND FUTURE DEVELOPMENT OF COUNTRY**

1978, *Mr. Sasanka Sekhar Sanyal: Will the Honourable Member for Planning and Development be pleased to state:

(a) whether Government have any Department or Section for statistics for dealing with planning and future development of the country, industrially, commercially and in agriculture;

(b) whether Government have any office or posts for dealing with statistics; and

(c) the methods adopted by Government in the matter of collection and maintenance of statistics?

The Honourable Sir Akbar Hydari : (a) Yes ; there are sections in the various Departments concerned ; and the P. & D. Department have Research staff for co-ordinating all the information necessary for planning.

(b) Yes.

(c) Statistics relating to Central subjects are collected through the Administrative staff of the Central Departments administering those subjects ; and those relating to other subjects are collected through Provincial and State Governments. The greater part of our statistics are collected on a voluntary basis.

Mr. Sasanka Sekhar Sanyal : Will the Honourable Member be pleased to state whether there is any machinery for getting the statistics of countries abroad ?

The Honourable Sir Akbar Hydari : Yes.

Mr. Sasanka Sekhar Sanyal : What is the method of collection of those statistics ?

The Honourable Sir Akbar Hydari : I speak subject to correction. I think the Economic Adviser gets most of these statistics from abroad and supplies them to the various Departments of the Government of India. There is also a central administrative room which I would commend my Honourable friend to go and see where these statistics are exposed in a very suitable form.

Mr. Sasanka Sekhar Sanyal : In view of the importance of the matter, will the Honourable Member consider the question of having a small committee of the House which can advise the Government on getting statistics from abroad and setting up a machinery of getting the latest and upto-date scientific information all round ?

The Honourable Sir Akbar Hydari : I do not consider that it is the function of the Legislators to advise on statistics and I do not propose to accept the Honourable Member's suggestion.

Mr. Sasanka Sekhar Sanyal : Will the Honourable Member consider the question of having a Standing Committee of Scientists and experts in the matter ?

The Honourable Sir Akbar Hydari : We have got these committees. My Honourable friend the Commerce Member has in prospect one such.

The Honourable Dr. Sir M. Azizul Huque : I may say that in order to collect the statistics and other materials that are required by the different Departments, statistics concerning not only India but also other countries, a committee has already been appointed consisting of experts as also statisticians of the different departments to advise Government as to how in future statistics should be prepared and what plan should be adopted.

Mr. Sasanka Sekhar Sanyal : May I know if on this Committee there is any representation from the Indian Science Congress, the National Planning and Development Committee and the Industrial and Scientific Research Bureau ?

The Honourable Dr. Sir M. Azizul Huque : No, Sir. It is a departmental Committee for the time being with an Economic Adviser at the head.

Mr. Sasanka Sekhar Sanyal : Will the Government consider the question appointing an extra-departmental special committee on this matter ?

The Honourable Sir Akbar Hydari : There is nothing for it to do at the present stage.

Mr. Sasanka Sekhar Sanyal : Is the Honourable Member aware that in countries like the U. S. S. R. and the U. K. there are Standing Committees which are outside the departments of the Government and which consist of persons who are recruited from the Universities ?

The Honourable Sir Akbar Hydari : Quite possibly. I am not saying that we will not appoint such a committee but the need for it has not at present arisen. If and when the need arises we will consider the matter.

ORDER FOR DEPOSITING HIS REVOLVER TO MAULVI MUAZZEM HUSSAIN CHOUHDURY OF FARIDPUR, BENGAL AND APPREHENSION OF CIVIL WAR

1979. ***Mr. Tamizuddin Khan:** Will the Honourable the Home Member be pleased to state:

(a) whether the attention of Government has been drawn to the Press report in the city edition of the *Dawn*, dated the 3rd April, 1946, to the effect that Maulvi Muazzem Hussain Choudhury of Faridpur, Bengal, has been written to by the District Magistrate of Faridpur for depositing his revolver in the local subdivisional Malkhana;

(b) whether Government are aware that the said Muazzem Hussain Choudhury is a Member of the Bengal Muslim League Parliamentary Board, a Member of the Bengal Legislative Council and the President of the Faridpur District School Board;

(c) whether the press report is true; if so, the policy of Government in this respect;

(d) whether Government have formulated an All-India policy in the matter, or whether the different Provinces are free to formulate their own policies in this respect;

(e) the policy adopted by the different Provinces with regard to the matter, how many persons in each Province have been similarly requested to deposit their revolvers in Government custody, and how many of such persons in each Province are Hindus and Muslims;

(f) the different kinds of arms that are being required to be so deposited; and

(g) whether Government are apprehending a Civil War in the country in the wake of the Cabinet Mission's final decision on the constitutional issue India is faced with; if so, the nature of these apprehensions ?

The Honourable Sir John Thorne : (a) I have seen this item.

(b) and (c). I have asked the Bengal Government for information on these points but have not yet received an answer.

(d) The Government of India have formulated no policy which would require action of the kind in question. The administration of the Arms Rules is, however, in the hands of Provincial Governments.

(e) and (f). I have no information on these points, and I do not think it necessary to obtain it.

(g) The Government share the hope and belief of the public that the Cabinet decision will result in a settlement which will be generally acceptable.

AJMER BAR ASSOCIATIONS REPRESENTATION RE REPLACEMENT OF SINGLE-JUDGE JUDICIAL COMMISSIONER'S COURT BY CIRCUIT HIGH COURT WITH TWO OR MORE JUDGES

1980. ***Pandit Mukut Bihari Lal Bhargava:** Will the Honourable the Home Member be pleased to state whether Government have received any representation from the Bar Association, Ajmer, and other bodies proposing that Government may arrange for a circuit High Court consisting of two or more judges

in place of the present Court of the Judicial Commissioner consisting of a single judge? If so, what action, if any, has been taken thereon? If none, why?

The Honourable Sir John Thorne : 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.

Shri Mohan Lal Saksena : May I know by what method was this public opinion ascertained?

The Honourable Sir John Thorne : I am afraid I cannot answer that.

Shri Mohan Lal Saksena : I am asking in what manner was this public opinion ascertained on which their decisions was based ?

The Honourable Sir John Thorne : I heard the Honourable Member's question. I am afraid I cannot answer it without notice.

Shri Mohan Lal Saksena : How did the Honourable Member.....

Mr. President : The Honourable Member is unable to give the information without notice.

Shri Mohan Lal Saksena : After all the answer was that public opinion was opposed to the amalgamation. I want to know how this public opinion was ascertained.

Mr. President : The same has been supplied to him. He is not in a position to state how it was ascertained.

Shri Mohan Lal Saksena : I want to know which were the associations which were consulted and how this public opinion was ascertained ?

Several Honourable Members : Order, order.

Shri Mohan Lal Saksena : On a point of order, Sir, am I not entitled to know....

Several Honourable Members : Order, order.

Shri Mohan Lal Saksena : On a point of order, Sir, the Honourable Member has answered that public opinion was opposed to the amalgamation. I want to know how was this public opinion ascertained.

Mr. President : The Honourable Member is asking about the machinery by which the conclusion was arrived at. I believe public opinion was ascertained years ago, perhaps in 1932 or 1934.

The Honourable Sir John Thorne : 1943 and 1944.

Mr. President : The Honourable Member does not know the machinery and he wants to have notice of the question, if the Honourable Member (Mr. Mohan Lal Saksena) wants to know about it.

Miss Maniben Kara : Sir, I do not propose asking question No. 1981 but would ask the next question No. 1982.

BEARING OF TRAVELLING EXPENSES OF MEMBERS OF ALL-INDIA
NEWSPAPER EDITOR'S CONFERENCE BY GOVERNMENT

†1981. ***Miss Maniben Kara :** Will the Honourable Member for Information and Arts please state:

(a) whether it is a fact that travelling expenses of members of the All-India Newspaper Editor's Conference on certain occasions are borne by Government;

(b) when such an arrangement, if any, came into existence, and what the rates and conditions are under which such allowances are paid;

†Answer to this question laid on the table, the questioner having not put the question.

(c) the total amount paid by Government on this account since any such arrangement has come into operation; and

(d) whether, in view of the fact that a large number of newspapers for reasons of political views, have remained outside this organisation, Government propose to revise its attitude towards this organisation and cease to pay travelling allowances to its members from public funds?

The Honourable Sir Akbar Hydari : I would draw the Honourable Member's attention to the reply already given by me to question No. 1777, on the 15th April, 1946.

BAN ON MEETINGS AND DEMONSTRATIONS NEAR COUNCIL CHAMBER

1982. ***Miss Maniben Kara :** Will the Honourable the Home Member be pleased to state:

(a) if it is a fact that all meetings and demonstrations near about the Council Chamber have been forbidden by Government order;

(b) whether the order, if any, was promulgated after the demonstration and meeting of the Government of India Employees' Association held on March 28, 1946; and

(c) whether Government are aware that clerks and other employees of Government want to have adequate opportunity to bring their difficulties and grievances to the notice of the members of the Legislature?

The Honourable Sir John Thorne : (a) No.

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

Miss Maniben Kara : Is it a fact that both the Home and War Departments have given assurances to the Employees' Association that their activities will be considered and had agreed to give certain facilities to them?

The Honourable Sir John Thorne : How does it arise out of this question?

Miss Maniben Kara : There was a demonstration outside the Council Chamber and I understand that certain assurances were given by the Home and War Departments to particular associations.

The Honourable Sir John Thorne : I cannot say from memory and certain knowledge whether such assurances were given but if they were given they will certainly be honoured.

Diwan Chaman Lall : May I know whether it is a fact that a circular was issued by the Home Department to these Associations of Government employees saying that they could not hold any meetings in the ground outside the Assembly Chamber without taking permission from the Department?

The Honourable Sir John Thorne : That is covered by the answer I have given. The answer is No. I should perhaps add that before this demonstration occurred there was a memorandum issued by the Home Department discouraging the holding of meetings of Government servants on the lawns outside the Secretariat, which is a different place.

Miss Maniben Kara : Is it not a fact that the Home Department have given the facility of a big room inside for the Association and does the Honourable Member not think that it will be the right of the employees of Government to hold meetings outside the compound?

The Honourable Sir John Thorne : That is a dual question. The first part is whether the association was given a room in which to hold their meetings. I am afraid I do not know. As to the second part regarding open air meetings, I should have thought that they are not necessary if a room is provided.

Miss Maniben Kara : Is it a fact that the Secretary of this Association is being harassed by the police and enquiries are being made about him and he has been detained from his duty simply because he has been participating in activities of the

association which has got recognition by the War Department and the Home Department ?

The Honourable Sir John Thorne : I suggest that that hardly arises out of this question and it certainly is not a matter which I can answer from my recollection.

Miss Maniben Kara : Will the Honourable Member not consider revising their attitude in view of the fact that the Government is placing before this House a Bill recognising the trade unions and allowing the normal activities of the trade unions ?

Mr. President : That will be a matter of argument and opinion.

EXPANSION OF CEMENT INDUSTRIES IN BIHAR

1983. ***Prof. N. G. Ranga :** (a) Will the Honourable Member for Planning and Development please state whether Government have recently considered proposals for the expansion of Cement Industries in the Province of Bihar? If so, with what results?

(b) How many new factories are going to be installed within the Province under the proposed expansion scheme and at what places, stating also the name of the Firms or industrialists to whom licence has been granted?

(c) Is it a fact that several eminent businessmen applied for permission to put up new factories at Dalmianagar and that their claims were totally ignored, thus preventing the new comers altogether from entering into the industry?

(d) Do Government intend to extend opportunities to new coming business men of the Province to share in the expansion of the industry in that area?

(e) Do Government propose to give facilities to the existing smaller companies to extend their plant?

The Honourable Sir Akbar Hydari : (a) and (b). I invite the Honourable Member's attention to my reply to parts (a), (b) and (c) of Starred Question No. 6B, asked by Mr. Manu Subedar on the 4th March, 1946.

(c) No.

(d) Yes, when further expansion is contemplated.

(e) Permission to extend their capacity to three out of the four existing factories other than those under the control of the ACC and Dalmia, has already been given. The fourth did not contemplate any extension of production.

Prof. N. G. Ranga : Can we have the assurance that it is not the policy of the Government to encourage any monopolies ?

The Honourable Sir Akbar Hydari : Yes. You can have the assurance.

Mr. Manu Subedar : May I know whether the Government's policy in the matter of cement production is one of restrictiveness by limiting the number of licenses or whether it is one of free expansion leaving it to the free competition of the producers to produce more.

The Honourable Sir Akbar Hydari : It is not a policy of free expansion. I would call it planned expansion.

Mr. Manu Subedar : Are Government unduly restricting the number of permits they give for the manufacture of cement to private parties, other than the A. C. C. and the Dalmia group ?

The Honourable Sir Akbar Hydari : They are not unduly restricted.

Shri Mohan Lal Saksena : Is it not a fact that an application was made from Rewa State to start a cement factory there and it has not been granted ?

The Honourable Sir Akbar Hydari : It may have been but the allocation to the States of additional capacity was done in consultation with the Political Department and with their agreement.

Shri Mohan Lal Saksena : I want to know whether it is a fact that permission was refused ?

The Honourable Sir Akbar Hydari : Quite possibly. Perhaps Rewa did not find a place in the additional capacity sanctioned.

(b) WRITTEN ANSWERS

DICTIONARY OF ECONOMIC PRODUCTS AND INDUSTRIAL RESOURCES OF INDIA

1984. *Sri S. T. Adityan: Will the Honourable Member for Planning and Development be pleased to state:

- (a) the date on which work was begun on the Dictionary of Economic Products and Industrial Resources of India;
- (b) what portion of the work has been so far done;
- (c) the approximate date by which the publication is expected to be completed;
- (d) the expenditure incurred so far; and
- (e) the total estimated cost of producing the work?

The Honourable Sir Akbar Hydari : (a) On the 4th August, 1942.

(b) The compilation of subjects under the first two Alphabets 'A' and 'B' has been completed.

(c) About three years more.

(d) Rs. 2,51,218.

(e) Rs. 7 lakhs approximately, of which a good deal will be met from the expected sale proceeds of the Dictionary.

**AUTHORITY FOR FORFEITURES, STOPPAGES, REFUSAL TO EXCHANGE
JAPANESE CURRENCY AND RETENTION OF ARREARS OF
ACCOUNTS OF I.N.A. MEN**

1985. *Prof. N. G. Ranga: (a) Will the War Secretary please state if he is aware of the fact:

(i) that forfeitures of pay, allowance, non-effective pay, in the case of personnel of the I. N. A. for periods previous to the date of their apprehension and surrender have been effected;

(ii) that the Japanese currency in which the Indian Prisoners of War were paid by that Government and which is still in their possession has remained un-exchanged on the ground that the Japanese' currency was demonetized and that the I. N. A. personnel would not have the right to have that currency exchanged into Indian currency;

(iii) that family allotments payable and customarily due for the period in (i) have been stopped, reduced or discontinued; and

(iv) that arrears of their accounts have been retained or refused on the date of their release from the subjection to I. N. A.?

(b) If the answer to (a) be in the affirmative, will he please state the statutory authority for the forfeitures stoppages, refusal to exchange the Japanese currency and retention of arrears of accounts referred to in (a) with reference to Sections 43 (h) (v), 53-A and 47 of the Indian Army Act and Sections 44 (6), 136, 137 (3) of the Army Act?

Mr. P. Mason : (a) (i). Yes, Sir. But such forfeiture is being enforced only in the case of men who have been discharged or dismissed from the Army after a full enquiring into their conduct while in enemy hands.

(ii) Yes, Sir, but not for the reasons suggested by the Honourable Member. The position is that during captivity prisoners of war are entitled to receive pay from the Captor Power at agreed rates and a corresponding deduction is made in their accounts in India. Normally therefore exchange of foreign currency in possession of recovered prisoners of war is permissible. Owing, however, to the abnormal conditions which prevailed in enemy camps in the Far East, the Government of India decided in 1945 to waive the recovery in Indian accounts of payments supposed to have been made to prisoners of war in Japanese hands and amounts already recovered in Indian accounts were accordingly recredited. Consequently,

there is no good reason to permit the exchange of Japanese currency in the hands of prisoners of war which incidentally has no recognised exchange value.

(iii) No, Sir. On the contrary orders have been issued to ensure that the families of all ranks of the Indian Army reported missing or prisoners of war were properly maintained.

(iv) No, Sir. Every effort has been made to settle men's accounts before release. As the accounts are maintained at Regimental Centres and Depots in various parts of India, a certain amount of delay in settling these accounts has been unavoidable. In view of this it was decided that if any men wished to be released before the settlement of their accounts they might be allowed to go, provided they signed a certificate signifying their wish to be permitted to be so released. In such cases any such sums due to them will be remitted to their home addresses.

(b) The sections of the Indian Army Act and the Army Act referred to by the Honourable Member are not relevant. Forfeiture of pay and allowances for the period spent as a prisoner of war is authorised by Pay and Allowances Regulations (India), Volume I, Rule 438, Indian Army Act, Section 50 (2) and in the case of Indian Commissioned Officers Ordinance XXXVI of 1943. So far as Japanese currency is concerned it has not been exchanged because, as I have said, it has no exchange value.

AUTHORITY FOR REDUCTION OF RANK OF NON-COMMISSIONED OFFICERS OF INDIAN FORCES

1986. *Prof. N. G. Ranga: (a) Will the War Secretary please state:

(i) whether it is a fact that the rank of the Non-Commissioned Officers of the Indian Forces has been reduced by an authority other than Court Martial on their being declared unfit for further service and on assessing their disability and family pension; and

(ii) whether "acting rank" in (i) during the wars have not been considered as substantive rank for the purpose of assessing disability and family pensions in the case of personnel in (i)?

(b) If the answer to (a) be in the affirmative, will he please state the statutory authority for the reduction of rank referred to in (a) with reference to Section 43 (g), of the Indian Army Act?

Mr. P. Mason : (a), (i) and (ii). Disability and family Pensions of NCOs of the Indian Army are assessed on their substantive rank, or a higher war-substantive or paid acting rank, if any held. There is no rule for assessing these pensions on unpaid acting rank, and no question of reduction in rank is involved in excluding this rank.

(b) Does not arise.

PROGRESS OF INDUSTRIAL PANELS AND PANEL FOR COTTAGE AND SMALL-SCALE INDUSTRIES

1987. *Mr. Sasanka Sekhar Sanyal: (a) Will the Honourable Member for Planning and Development be pleased to state the progress of different industrial panels at work at present?

(b) What is the existing organisation in the Industrial Adviser's Office to co-ordinate the inter-related technological, economic and other problems of different industries?

(c) Is it a fact that no panel has been created for cottage and small-scale industries? If so, why?

(d) Is it a part of the duty of the Industrial Adviser to visit different Provinces, with a view to promoting the interests of regional planning and central co-ordination? If so, how many Provinces he has visited so far, and with what results?

The Honourable Sir Akbar Hydari : (a) I invite the attention of the Honourable Member to my reply to question No. 91, for the 7th February, 1946.

(b) Joint meetings of the Panels appointed for the various industries are held whenever necessary, to secure co-ordination, particularly where the processes and products of one industry are connected with those of another.

(c) I invite the attention of the Honourable Member to my reply to part (a) of Starred Question No. 1292, for the 27th March, 1946.

(d) One of the main functions of the Industrial Adviser is to guide the deliberations of the Panels. He takes part in the meetings held by the Panels and representatives of Provincial and State Governments. So far, it has not been necessary for him personally, to visit any province for this particular purpose. But if for any reason, this becomes necessary, he will certainly do so.

PROPOSAL TO SEPARATE ADMINISTRATION OF ANDAMAN AND NICOBAR ISLANDS FROM GOVERNMENT OF INDIA

1988. *Mr. Tamizuddin Khan: (a) Will the Honourable the Home Member be pleased to state whether any proposal to separate the administration of the Andaman and Nicobar Islands from that of the Government of India is under the consideration of Government? If so, what is the nature of the proposal, and why is such separation proposed to be effected?

(b) Will this Assembly be given an opportunity to discuss the matter before any decision is taken?

The Honourable Sir John Thorne : (a) No.

(b) Does not arise.

MANUFACTURE OF BICHROMATE OF POTASH

1989. *Sri S. T. Adityan: Will the Honourable the Finance Member be pleased to state:

(a) whether capital issue of Rupees one crore has been recently sanctioned to a company proposing to manufacture bichromate of potash;

(b) the proposed annual production capacity of the new company;

(c) the total annual production of bichromate in India at present;

(d) the pre-war annual consumption of bichromate in India; and

(e) the estimated annual consumption of bichromate in India for the next five years?

Mr. K. G. Ambegaokar : (a) No Sir.

(b) Does not arise.

(c) Annual production.	Tons.	Cwts.
1943	2,769	6
1944	2,882	0
1945	3,113	0

(d) The pre-war consumption of bichromates was about 1,200 tons per annum.

(e) The estimated consumption of bichromates in the next five years is expected to range between 1,500 and 2,000 tons.

PATENTS OBTAINED BY SCIENTISTS WORKING WITH COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH

1990. *Sri S. T. Adityan: Will the Honourable Member for Planning and Development please state:

(a) the number of patents obtained by scientists working under or with the help of the Council of Scientific and Industrial Research for each of the years 1943 to 1945, both inclusive;

(b) whether the patents stand in the name of the Council or in the name of the scientists; and

(c) whether the Council has any right; if so, what right in the said patents, if they stand in the names of the scientists?

The Honourable Sir Akbar Hydari : (a) In 1943—43 ; In 1944—83 ; In 1945—74.

(b) In the name of the Scientists ; but they are assigned to the Central Government.

(c) As already stated, the Patents vest in the Central Government ; but the Council exploits them on behalf of the Government and the Inventors, 2/3 of the royalties going to the Council and 1/3 to the Inventor. If the work on the patents is done in any particular institute, then the Council normally gives half of its share of royalty to that Institute.

POSTPONED STARRED QUESTION AND ANSWER

Postponed from the 15th April 1946)

RETRENCHMENT OF CERTAIN SENIOR MEMBERS OF TECHNICAL STAFF OF PRESS INFORMATION BUREAU

1766. *Raja Sir Saiyid Ahmad Ali Khan Alawee: (a) Will the Honourable Member for Information and Arts please state the retrenchment policy, if any, followed in the Press Information Bureau?

(b) Is it a fact that certain senior members of the technical staff of the Urdu Section have been retrenched?

(c) How many junior members have been given preference for being retained in service, and what is the total number of these junior members, province-wise?

(d) What are the grounds on which senior members have been retrenched? Is there any adverse report against them? If so, of what nature?

(e) Who is in charge of the retrenchment scheme?

The Honourable Sir Akbar Hydari : (a) and (d). Temporary employees of the Press Information Bureau were classified on the basis of the record of their work and conduct into the following categories :

(i) outstanding and for whom every effort should be made to find permanent employment :

(ii) definitely fit for permanent appointment if a vacancy exists ; and

(iii) the rest.

Within these categories the temporary employees were graded according to their length of service. The procedure followed in retrenchment was to treat all persons in category (i) as senior to all in category (ii) and all in category (ii) as senior to all in category (iii). Retrenchment was effected by discharging persons in the reverse order of seniority as fixed on the basis of the classification referred to. All cases were examined by, and decision taken on the recommendations of a committee composed of senior officers of the Bureau, who also interviewed most of the persons concerned.

(b) Yes, in accordance with the procedure prescribed for retrenchment just referred to.

(c) If the Honourable Member is referring to seniority as determined by length of service, irrespective of the considerations referred to in clause (a), the answer is in two cases. In one case two juniors, and in the other three juniors were retained in both cases the persons retained happened to be from the Punjab.

(e) The Principal Information Officer.

UNSTARRED QUESTIONS AND ANSWERS

BASIS FOR PENSION IN CASE OF INDIAN AND BRITISH ARMY PERSONNEL

233. Babu Ram Narayan Singh: (a) Will the War Secretary please state if it is a fact that in case of Indian Personnel, grade pay, trade pay, extra duty pay and allowance in the nature of pay, severally or jointly do not form the basis either for an ordinary pension or for a war pension payable for death and disablement sustained in His Majesty's Wars, whereas in the case of British Personnel, either these emoluments are included in the pay proper at inception or regard is had to the loss of a persons general earning capacity, in assessing disablement and death pensions?

(b) If the reply to (a) be in the affirmative, will he please state the disability and family pension of an Indian Clerk or Mechanic drawing on "Active Service" pay and allowance at Rs. 50, Rs. 75 and Rs. 100 and upwards compared with British Personnel similarly situated?

Mr. P. Mason : (a) Grade Pay, trade pay, and allowances do not govern the ordinary, disability, or family pensions of either British or Indian soldiers. The basis of pensions is rank. In assessing disability pensions, the degree of incapacity is also taken into account.

(b) Pensions of Indian clerks and mechanics are according to the rank held by them, with the exception that over rank mechanics earning over Rs. 100 and over Rs. 200 are, as a special case, treated as jemadars or subedars for pensionary purposes and are granted pension appropriate to those ranks.

APPOINTMENTS TO INDIAN EVACUEES SERVANTS OF BURMA GOVERNMENT

234. Pundit Thakur Das Bhargava: Will the Honourable the Home Member please state :

(a) whether it is a fact that the Indian evacuees who were servants of the Government of Burma are not eligible for permanent employment in India under the Government in preference to Indians;

(b) whether any such evacuees have been employed under the General Headquarters, and the Army Medical Stores, Calcutta, Bombay, Madras, Lucknow and Lahore Cantonment; and

(c) what steps, if any have been taken to repatriate the Burma Government servants, if they are not eligible for permanent appointments under the Government in this country?

The Honourable Sir John Thorne : (a) and (c). The Honourable Member's attention is invited to the reply I gave on the 7th February, 1946, to Rajzada Hansraj's starred question No. 94.

(b) Yes, except Madras where there is no Army Medical Store.

ORDER OF CENTRAL COMMAND RE GRAZING OF CATTLE IN AMBALA CANTONMENT

235. Pundit Thakur Das Bhargava: (a) Will the War Secretary kindly state if it is a fact that licences for grazing of cattle were issued for the year 1945-46 in Ambala Cantonment?

(b) Is it a fact that the Executive Officer of Ambala Cantonment forbade grazing of cattle in Papp Park after the realisation of grazing dues?

(c) Is it a fact that the cattle of the military dairy farm were freely allowed to graze in the Military Grass Farm Area?

(d) Is it a fact that the Central Command has again asked the Cantonment Board, Ambala, to stop grazing during the rainy season?

(e) Is it a fact that the Cantonment Board, Ambala, has unanimously resolved to forward the report of the Health Officer of Ambala which favours allowing the grazing to take place?

(f) What are the formal orders of the Central Command in this respect?

Mr. P. Mason : (a) No, Sir. The grazing rights for 1945-46 were given on contract to the highest bidder.

(b) The grazing of cattle was forbidden in Paget Park, not Papp Park. The contractor was offered a refund, which he accepted.

(c) I have not got the information, Sir, but in any case it is quite irrelevant as the Grass Farm do not come under the management of the Cantonment Board.

(d) Yes, as an anti-malarial measure.

(e) Yes. The Health Officer has specified certain areas where grazing may be allowed.

(f) No orders have yet been received by the Cantonment Board.

**APPLICATION FOR SANCTION OF BUILDING PLAN BY SHRIMATI LEKHAWANTI JAIN,
EX-M. L. C.**

236. Pundit Thakur Das Bhargava : (a) Will the War Secretary kindly state if it is a fact that Shrimati Lekhawanti Jain ex-M.L.C., applied to the Cantonment Board for sanction of a building plan on a piece of land in which the Government of India had granted her proprietary rights?

(b) Is it a fact that some other persons also applied for sanction of building plans on the same land?

(c) Is it a fact that the Cantonment Board referred the matter to the Central Command?

(d) Is it a fact that an elected member of the Cantonment Board was refused information about the contents of the order of the Central Command when he demanded it before the discussion of the relevant item in the meeting of the Board?

(e) Are such replies on references or orders confidential?

(f) What are the reasons for sanctioning two plans simultaneously in favour of two different persons in respect of one and the same piece of land? Do Government propose to consider the desirability of bringing the procedure relating to such matters into line with that prevailing in Municipalities?

Mr. P. Mason : (a) The answer to the first part of the question is in the affirmative. As regards the concluding part of the question, Shrimati Lekhawanti Jain has occupancy rights only in the site in question.

(b) Yes, Sir.

(c) Yes, Sir.

(d) The letter in question was confidential. The contents were, however read at the Cantonment Board meeting when the matter was discussed.

(e) This depends on the subject matter of the letter and whether such replies are for general information.

(f) Government will look into the question of whether the procedure requires a amendment.

STATEMENTS LAID ON THE TABLE

Information promised in reply to Parts (b), (e) and (f) of Starred Question No. 1212 asked by Sri K. B. Jinaraja Hegde on the 21st March, 1945.

GOVERNMENT CONTRIBUTION TO INDIAN RED CROSS SOCIETY, ETC.

(b) Yes. The particulars are as follows :—

Names of Organisations other than those mentioned in part (a) of the question which are doing similar work	Amount of usual grant-in-aid from Government
	Rs. per annum.
(1) St. John's Ambulance Association	5,000
(2) Central Committee of the Indian Nursing Association	20,000
(3) Tuberculosis Association of India :—	
(i) for the maintenance of the Tuberculosis Clinic, New Delhi	25,000
and	
(ii) for the maintenance of the Lady Linlithgow Tuberculosis Sanatorium, Kasauli.	20,000

(e) The percentage of Indians among the Office bearers of the organisations mentioned in part (a) of the question is indicated below :—

Name of organisation	Percentage of Indians
	per cent.
(1) The Indian Red Cross Society :— (Headquarters including the Victoria Memorial Scholarship Fund).	83
(2) The Countess of Dufferin's Fund	50
(3) Maternity and Child Welfare Bureau (which administers the Lady Chelmsford League Fund).	86

(f) None.

Information promised in reply to Starred Question No. 27, asked by Sri M. Ananthasayanam Ayyangar, on the 5th February, 1946.

INDIA HIGH COMMISSIONER'S OFFICE IN LONDON

(b) The strength of officers and staff (excluding Messengers, Cleaners and Labourers) of the office are as follows :

High Commissioner	1
Deputy High Commissioner	1
Private Secretary	1
General Assistant	1
Shorthand Typist and Assistant to Private Secretary	1
Chief Accounting Officer	1
Deputy Chief Accounting Officer	1
Assistant Chief Accounting Officer	1
Secretary, Public Department	1
Secretary, Education Department	1
Senior Educational Officers	4
Educational Officers	4

Secretary, General Department	1
Indian Trade Commissioner, London	1
Deputy Indian Trade Commissioner, London	1
Indian Trade Commissioner, New York	1
Indian Trade Commissioner, Toronto	1
Indian Trade Commissioner, Buenos Aires	1
Establishment Officer	1
Director, India Supply Commission	1
Deputy Director, India Supply Commission	1
Assistant Directors, Indian Supply Commission	2
Director-General of Stores	1
Director of Purchase	1
Director of Inspection	1
Controllers of Stores	4
Executive Officers	120
Seamen's Welfare Officers	5
Clerical Officers	289
Comptometers and Machinists	4
Technical Staff	59
Shorthand Typists and Typists	96
Total	609

(d) 116.

(e) No, Sir.

Information promised in reply to part (d) of Starred Question No. 90, asked by Mr. K. C. Neogy, on the 7th February, 1946.

ACCOUNTS IRREGULARITY RE DENIAL MEASURES IN BENGAL

The accounts are not yet complete but the latest figures are as follows :—

Items of expenditure	Receipts Figures			
	1942-43	1943-44	1944-45	1945-46. Up to Decr. 1945
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Boats	1,09,254 11 0	9,75,708 4 2	1,26,779 2 6	1,72,260 12 1s
	(in lump)	(in lump.)		
Cycles . . . . .	...	...	51,178 2 0	1,71,419 2 6
Motor . . . . .	...	...	4,348 7 0	480 0 0
Miscellaneous Schemes . . . . .	...	...	68,800 9 9	2 8 0
Elephants . . . . .	...	...	...	7,150 0 0
Arms and Ammunitions . . . . .	...	...	...	755 0 0
Rice Denial . . . . .	...	...	1,81,896 0 0	...

The amount mentioned as having been recovered from the sale of boats in answer to part (d) of Mr. Avinashilingam Chettiar's starred Question No. 697 of the 7th March, 1945 was, it is regretted, incorrect.

Information promised in reply to Unstarred Question No. 37, asked by Shri Mohan Lal Saksena, on the 18th February, 1946.

PUBLICATIONS BANNED UNDER SEA CUSTOMS ACT

List of publications banned by name under section 19 of the Sea Customs Act.

- (1) *The Face of Mother India* by Miss Katharine Mayo.
- (2) *Old Soldier Sahib* by Frank Richards.
- (3) *The Land of the Lingam* by Arthur Miles.
- (4) *Hindu Heaven* by Max Wylie.
- (5) *Mysterious India* by Moli Singh.
- (6) *Scented Garden* by Barnhard Stern

Information promised in reply to Starred Question No. 345, asked by Sri M. Ananthasayanam Ayyangar, on the 19th February, 1946

RECRUITMENT OF STAFF IN G. I. P. RAILWAY

(a) to (f) The number of persons recruited by direct appointment during the year 1945 on the G. I. P. Railway to posts carrying a salary of Rs. 100 p.m. and over is as follows :

Hindus	49 plus 165 (Temporary).
Muslims	4 plus 32 (Temporary).
Anglo-Indians	18 plus 29 (Temporary).
Other -Minority Communities	21 plus 44 (Temporary).

Information promised in reply to Starred Question No. 491, asked by Pundit Thakur Das Bhargava, on the 25th February, 1946.

NUMBER OF HOSPITALS IN CENTRALLY ADMINISTERED AREAS

There is only one Hospital in Baluchistan and it has library arrangements for indoor patients.

Information promised in reply to parts (a), (b) and (c) of Starred Question No. 503, asked by Mr. Manu Subedar, on the 26th February, 1946.

MISSIONS SENT OUT BY GOVERNMENT OF INDIA

Statement giving particulars of Missions of Government of India officials, Delegations, etc. sent out of India during the years 1942-43, 1943-44, 1944-45 and 1945-46.

Serial No.	Department Concerned	(a) Particulars of Missions, Delegations, etc.	(b) Object	(c) Cost incurred		
				Rs.	A.	P.
1	Railway Department.	Mr. S. M. Khurshid, Personnel Officer, N. W. Rly.	Training in labour matters Under the British Ministry of Labour and National Service.	11,761	11	0
2	Do.	Sir G. E. Cuffe, General Manager, B. A. Railway.	Supply of Garratt locos for the Hill Section of B. A. Railway.	7,164	4	2
3	Do.	Mr. E. C. B. Thornton, Traction Engineer, G. I. P. Railway.	Study of cyclic wear of Rails	1,143	6	0
4	Do.	Lt. Col. R. B. Emerson, General Manager, G. I. P. Railway.	Supply of multiple unit stock for the G. I. P. Railway.	5,405	8	6
5	Do.	Mr. W. R. Maunder, Chief Engineer, B., B. & C. I. Railway.	In connection with taxation of Railway properties by local Bodies.	9,111	6	0
6	Do.	Mr. H. Ahmed, Assistant Personnel Officer, E. I. Railway.	In connection with the scheme for the training of labour officers in the U. K.	7,698	1	0
7	Do.	Sir Leonard Wilson, Chief Commissioner, Railways, Railway Board.	Procurement of Railway equipment for Indian Railways.	23,647	5	0
8	Do.	Col. H. W. Wegstaff, Member Staff, Railway Board.	Study of Labour question on British Railways in the Post War Period.	5,889	12	0
9	Do.	Mr. A. A. Brown, Director, Rail-Road Co-ordination, Railway Board.	In connection with Rail-Road Co-ordination.	2,008	5	0

Information promised in reply to part (c) of Starred Question No. 745, asked by Shri M. Ananthasayanam Ayyangar, on the 6th March, 1946.

EXPENDITURE ON CONSTRUCTION OF NEW DELHI AND ITS MAINTENANCE

(i) A sum of Rs. 33,683 has been spent on the staff employed on the maintenance of irrigation water supply for the period from April 1945 to January 1946.

(ii) Expenditure on work charged establishment employed on municipal services in New Delhi for the year 1944-45 amounted to Rs. 1,99,508. As the Divisions concerned also execute other works, it is not possible to apportion the expenditure on regular staff employed on these services. The figures in respect of the expenditure during the year 1945-46 (to end of January 1946) are not readily available.

Information promised in reply to supplementaries to Starred Question No. 781, asked by Shri Sri Prakasa, on the 8th March, 1946.

PUNISHMENTS TO ENEMY AGENTS

The following are the details of the case under the Enemy Agents Ordinance in which no communicate was issued at the time :

N. K. Kanaran *alias* Unniran *alias* Gosh, Ratnam *alias* Murthi, Ramaswamy *alias* Muthuman i and Sethu *alias* Krishnan were tried in 1944 in Madras by a Special Judge appointed under the Enemy Agents Ordinance. They were all convicted and sentenced to death. The conviction and sentence were upheld by the Reviewing Judge and the sentences were executed in March 1945. No communicate was issued at the time on grounds of military security.

Information promised in reply to Starred Question No. 807, asked by Sardar Mangal Singh, on the 8th March, 1946.

INDIA'S MEMBERSHIP TO INTERNATIONAL ORGANISATIONS

Statement showing International organisation of which India is a member and amounts of subscription payable by India.

<i>Organisations</i>	<i>Amount</i>
International Monetary Fund	\$ 400 million.
International Bank for Reconstruction and Development.	\$ 400 million (share holdings of which \$ 320 million will be an unpaid reserve liability).
League of Nations	Rs. 14,20,000 (1946-47).
United Nations Organisations	\$ 1,097,750 (U. S.) to the Working Capital Fund. Contribution to the first budget has yet to be determined.
Inter-governmental Relief Committee on Refugees	Rs. 36,000 p.a.
International Meteorological Organisation, Switzerland.	Rs. 2,100 p.a.
Provisional International Civil Aviation Organisation, Montreal, Canada.	Rs. * 1,30,000 p.a. (Approx.).
International Commission for Air Navigation, Paris, France.	Rs. 6,000 p.a.
International Telecommunication Union, Berne, Switzerland.	Rs. 12,000 p.a. (approx.).
Universal Postal Union, Berne, Switzerland	Rs. 10,000 p.a. (approx.).
Food and Agriculture Organisation of the United Nations, Washington.	First Financial Year (Oct. 16, 1945 to June 30, 1946) 1,06,250 U. S. Dollars. Second Financial Year (July 1, 1946 to June 30, 1947) 1,86,800 dollars.
International Institute of Agriculture, Rome	No contribution has been paid since 1940.
U. N. R. R. A.	Rs. 8 crores.
Inter-Allied Reparations Agency	Not yet known.
United Nations Information Organisation, London	Rs. 6,667 p.a.
United Nations Information Organisation, Washington.	Rs. 11,980 p.a.
Office of International d' Hygiene Publique	£ 1,256-5-0.
International Labour Office	Hitherto the contribution in respect of this organisation has been included in the contribution to the League of Nations. The contribution to it as an independent organisation has to be decided.

* 25 per cent. of this is in the nature of a contribution to the Working Capital Fund and should be regarded as provisional.

Information promised in reply to Unstarred Question No. 86, asked by Seth Sukhdev, on the 11th March, 1946.

**SHORT WEIGHMENT OF SOAP SUPPLIED TO EMPLOYEES OF KARACHI DIVISION
N. W. RAILWAY**

(a) The reply is in the affirmative.

(b) and (d) In June, 1945, consequent on availability of a superior quality of washing soap of a uniform weight of $\frac{1}{2}$ seer per cake, the system of supplying 8 cakes equivalent to two seers was introduced. In view, however, of a complaint made by some members of the Food Advisory Committee in the middle of September, 1945, that the 8 cakes of soap weighed less than the standard weight of two seers, instructions were issued by the railway authorities that the soap should be supplied in accordance with actual weighment. Investigations made by the Railway revealed that 8 cakes of soap together weighed only 1 to 2 chhataks less than the standard weight of 2 seers and not $\frac{1}{2}$ seer less as alleged.

(c) The Railway administration consider that short weight was attributable to shrinkage and dryage while in storage.

(e) Government are informed that no refund has been claimed by any of the employees on the score of the alleged short weight and very few employees appear to have been affected.

(f) Railway administrations take whatever action is necessary in such matters when they come to their notice and Government do not consider that the issue of general instructions is necessary.

Information promised in reply to Unstarred Question No. 111, asked by Mr. Sasanka Sekhar Sanyal, on the 12th March, 1946.

YIELD FROM LAND CULTIVATED DUE TO GROW MORE FOOD CAMPAIGN

(a) and (b) Accurate information is not available. But a statement is appended showing the culturable waste, the current fallow and the cultivated net areas in each of the four districts comparing the averages of the years 1936-39 with the averages for 1942-44. During the changes in the system of classification however the figures are of little value.

(c) A rough estimate by the Provincial Government of such averages: Murshidabad 24,000 acres, Nadia 50,000 acres, Khulna one lakh acres and Jessore 56,000 acres.

(d) There are schemes for reclamation of waste lands and provision of irrigation facilities under the Development Plan of the province. Exact details of these schemes have not yet been worked out by the Bengal Government.

(Thousand acres)

	Culturable waste				Current fallows				Net area sown			
	Murshidabad.	Nadia.	Jessore.	Khulna.	Murshidabad.	Nadia.	Jessore.	Khulna.	Murshidabad.	Nadia.	Jessore.	Khulna.
	1	2	3	4	1	2	3	4	1	2	3	4
Average 1936-39	90	332	208	466	129	104	305	27	866	945	791	811
Average 1942-44	12		30	102	30	186	137	60	921	1184	1062	1087

Information promised in reply to a Supplementary to Starred Question No. 918, asked by Mr. Manu Subedar, on the 13th March, 1946.

REDUCTION OF STRAIN OF MILITARY TRAFFIC ON RAILWAYS AND OF EXPENDITURE ON PROPAGANDA, ETC.

CEASE FIRE (JAPAN) BOOK

PREFACE

The main objects of the Central Government's Cease Fire (Japan) Book are—

(a) to record all important measures which Central Government Departments will have to take during the first seven to fourteen days following the general suspension of hostilities in the Far East/with Japan;

(b) to ensure that the necessary decisions are taken in advance, where that is possible, and that plans are fully worked out ;

(c) to record in cases in which decisions are required but cannot be taken until the actual suspension of hostilities, and to ensure that steps will have to be taken to obtain such decisions ;

(d) to enable Central Government Departments to see how any action for which they are responsible is related to that or other Departments.

The Book excludes operational matters and all questions connected with the preparation and enforcement of armistice terms, which are mainly to be the concern of the Governments of the United Kingdom and the United States of America.

2. In the case of some items included in this Book decisions have not yet been taken, but could be taken in advance of the conclusion of hostilities. In such cases the Departments concerned should take steps to obtain the necessary decision at the earliest possible moment.

3. In addition to the Central Government's Cease Fire (Japan) Book, each Department has prepared, or is preparing, its own Departmental Book in which the matters of major importance dealt with in the Central Government's Book are treated in greater detail from the point of view of the Department, and in which other matters of lesser importance, not affecting other Departments, are covered.

4. It will be impossible to foresee whether there will be a clear cut end to hostilities such as the signature of a general armistice, but in any event the offices of the War Cabinet in the United Kingdom will make themselves responsible for notifying the position to the Central Government through the India Office.

It will also be necessary that orders of the Governor General-in-Council should be obtained for Departments to proceed with the more important action set out in the Book, more particularly the major announcements.

5. It may be that hostilities will come to an end gradually over a period, rather than on a definite date, and that it will be necessary to put different sections of the Central Government Book into operation at different times. For this purpose consultation with the Departments concerned and this Department will be necessary and when action is taken the Departments responsible will have to ensure that other interested Departments are consulted or kept informed.

6. In many cases the action recorded in the Book will involve sending urgent communications to Provincial Governments, Regional Officers and other local authorities and etc. In order to avoid congestion and delay resulting from the simultaneous issue of a large volume of instructions, often of high grade priority telegrams, Departments should consider whether any steps might be taken in advance, such as notifying action to be taken in various contingencies, which would have the effect of reducing volume of materials sent out at the time.

7. Departments should have constantly in mind the need for keeping the Book up-to-date, and any amendments, additions or deletions which are considered necessary should be notified concurrently to this Department Mr. KAIWAR by name. Corrigenda will be circulated by this Department to all Departments of the Central Government.

8. Provincial Governments should be informed well in advance of all actions contemplated wherever it is likely to have repercussions on Provincial affairs.

DEFENCE DEPARTMENT ;

August 1945.

CHAPTER I.—COMMUNICATION TO FOREIGN COUNTRIES

NOTES

As soon as it has been decided that the time has arrived for the action set out in this Book to be taken it will be necessary, in regard to certain items, to send particulars to His Majesty's Missions and Consular Officers in neighbouring countries for communication to the Governments to which they are accredited. In regard to

certain other items, it would be desirable, if only to forestall numerous enquires to send information to them about the action being taken in India. The subjects to be covered in such communications are listed below.

Subject to be covered by the communication	Department responsible for its despatch	Reference if any to other Chapters : other Depts. likely to be concerned	General observations
1. Economic controls	External affairs Department.	Chapter II.—Section 5. Supply, Commerce and Industries & Civil Supplies Department.	
2. Contraband Control	External Affairs Department.	Chapter VII.—Section 8. Commerce Department.	
3. Aliens	External Affairs Department.	Chapter VI.—Section 1 (b). Home Department.	
4. Passenger Travel facilities (Shipping and Aircraft).	External Affairs Department.	Chapter VII.—Section 4. Commerce, Post & Air and Defence Departments.	
5. Civil Aviation	External Affairs Department.	Chapter VII.—Section 6. Post & Air Department.	

[N.B.—Communications to Provincial Governments wherever necessary have been indicated against the relevant entries in Chapter II-IX of the Book.]

CHAPTER II.—SUPPLY AND PRODUCTION.

Action to be taken	Departments of the Central Government primarily responsible	Other Departments or the Provincial Governments likely to be interested	General observations:
1. CURRENT PRODUCTION.			
(a) Stopping production of those stores and materials, any further production of which would not be required.	Supply Dept. Food Dept.	War Dept. Political Dept. All Provl. Govts. War Transport	Supply Dept. is concerned with stores and materials except foodstuffs and cotton Textiles; Food Dept. is concerned with foodstuffs; I. & C. S. Dept. with cotton textiles; Labour Dept., with mica and mines; E. H. & L. Dept. is concerned with the production of survey maps and Defence Dept. with P. O. L. (P. O., D. D.) and Printing, Forms and Stationery for the Armed Forces (D. M. R. & F.).
(4) To issue instructions to contractors and manufacturing establishments, including action for terminating contracts and the implementation of break clause where necessary;	I. & C. S. Dept. Labour Dept. E. H. & L. Dept. Defence Dept. F. A. W. & S. Finance Dept.	(to stop unnecessary movement of stores and supplies).	
(ii) To arrange the stopping or diversion of production of any raw materials of which no further supplies will be needed for their original purpose in consequence of action under (i) above.			
(iii) Not to enter into any fresh contracts or commitments whether for outstanding demands for 1945 (in respect of major items) or for 1946 (in respect of any item) until the demand has been reviewed by the indentor.			
(b) Arrangements for utilizing resources released under (a). To secure any adjustments needed in the issue of manufacturing, supply and raw-materials licences.	Supply Dept. Food Dept. I. & C. S. Dept. Labour Dept. E. H. & L. Dept. Defence Dept. Finance Dept. F. A. W. & S.	War Dept., P. & D., I. & C. S., Political Depts. and all Provl. Governments.	
(c) Co-ordination of instructions to the attached and subordinate offices consequential on (a) and (b).	Supply Dept. Food Dept. I. & C. S. Dept. Labour Dept. E. H. & L. Dept. Defence Dept.] Finance Dept. F. A. W. & S.]	War Dept., P. & D., I. & C. S., Political Depts. and all Provl. Governments.	

(d) To arrange for public announcements as follows :—

(i) Production of certain stores will cease completely. War Dept., P. & D., I. & C. S., Political Depts. and all Provl. Govts.

Supply Dept.
Food Dept.
I. & C. S. Dept.

(ii) While some programme adjustments may take place fairly rapidly, full adjustments must take time.
Labour Dept.
E. H. & L. Dept.
Defence Dept.
Finance Dept.
F. A. W. & S.

(iii) Every effort will be made to control unemployment of labour released by termination of contracts; but there will necessarily be some breaks in production while factories are being re-organized.

2. BUILDING AND CONSTRUCTION WORK.

To issue instructions to C. P. W. D. and the Military Engineer Services not to enter into any fresh contracts or commitments, to arrange for immediate review of all works in progress with a view to stopping work in as many cases as possible.

All Depts. of the Central Govt. F. A. W. & S.
Provl. Govts. Political Dept.

This building and construction work refers to works projects & should not be confused with de-requisitioning of lands and buildings—Chapter III. Please see also Chapter VII—Section 1, Road Building and Section 2, Ship Building. Where the project has got a definite post-war value, such as provision of amenities to seamen at Indian Ports or where the projects has been almost completed so that it would be more economical to finish the building or construction work than to suspend the same, the work may be completed with the sanction of the Central Government, but in every case prior sanction must be obtained.

Departments of the Central Government primarily responsible

Other Departments of the Provincial Governments likely to be interested

General observations

Action to be taken

3. NEW FACTORIES AND BALANCING EQUIPMENT.

- (a) To arrange for liquidation of new factories run by Govt. or handed over to contractors on agency or other basis.
- (b) To arrange for liquidation of Balancing Equipment and installations handed over to contractors.

Supply Dept. in consultation with Disposals Board.

4. OVERSEAS PROGRAMMING, PURCHASES AND LEASE-LEND REQUIREMENTS.

To give an indication of the size of future programme, if this has not already been done, and to terminate, or give notice to terminate, as appropriate, overseas contracts and requisitions for materials, animals and stores no longer required.

Supply, War, Food, I. & C. S. Depts.
 Finance Dept.
 F. A. W. & S.
 Labour Dept.
 Defence Dept.
 E. H. & L. Dept.
 Political Dept.
 All Provl. Govts.

5. ECONOMIC CONTROLS.

To issue a statement that all controls will continue unchanged until an announcement to the contrary is made and that relaxation will be announced as and when possible.

All Depts. including Branch Secretariats, Heads of Depts. and Branches, etc.
 Provl. Govts.
 Political Dept.

Please see also—

- Chapter IV, section 4.
- Chapter V, section 5 (e).
- Chapter VI, sections 1 (c), 5 and 6.
- Chapter VII, sections 3 and 4.
- Chapter VIII, sections 1 and 3.

The economic controls mentioned here refer definitely to industrial and commodities controls particularly those relating to trade and commerce and the supply, production and distribution of goods, entries 27 and 29 of the Provl. Legislative List.
 (2) Co-ordination will be required.

CHAPTER III.—LANDS AND BUILDINGS

1. LANDS AND BUILDINGS.

- (a) Derequisitioning of lands and buildings wherever possible and surplus to requirements.
- (b) Protection of residual values of assets created by the Central or Provincial Governments on requisitioned lands and buildings.
- *All Depts. of the Govt. of India, Defence Dept. being in addition responsible for obtaining decisions on major policy. F. A. W. & S.
- Political Dept. and all Provl. Govts.
- (i) Supply Dept., Director General Disposals, is responsible for the disposal of factories and industrial units.
- (ii) Defence Dept. (executive agency, Lands and Hirings Directorate) will be responsible for the disposal of Lands and Buildings charged to Defence Estimates.
- (iii) Subject to (i) above each Dept. will be responsible for lands and buildings in its occupation and not charged to Defence Estimates.

CHAPTER IV.—MANPOWER

1. RECRUITMENT TO ARMED FORCES.

Announcement regarding the rate of recruitment to the Armed Forces and corresponding Women's Services.

Labour Dept.
Defence Dept. in so far as European British Manpower requirements are concerned.

2. NATIONAL SERVICE) EUROPEAN BRITISH SUBJECTS) ACT, 1940.

Review position regarding conscription of European British Subjects under the National Service Act.

War, Labour, Supply, I. & C. S., Food, Commerce & War Transport Depts.

3. CIVIL PIONEER FORCE.

Necessity for continuance or winding up to be considered if it has not already been done and necessary action to be taken.

War Dept.
All Provl. Govts., except Assam, Sind and C.P. & Berar.

4. RELAXATION OF LABOUR CONTROLS.

To arrange for public statement to be issued on the continuance of Labour controls.

War, Supply and Railway Dept., Provl. Govts.

Action to be taken	Departments of the Central Government primarily responsible	Other Departments of the Provincial Governments likely to be interested	General observations
<p>1. STAFF ACTION. (a) To issue Cease Fire (Japan) Orders to Commands in the India Command, congratulatory telegrams to the Forces, etc. (b) To communicate the fact of cessation of hostilities to Provincial Governments.</p>	<p>War Dept. F. A. W. & S. Do.</p>	<p>All Depots.</p>	<p>Apart from this there are no general reference to operational matters in this book.</p>
<p>(c) Issue public announcement regarding recruitment.</p>	<p>Do.</p>	<p>E.A. Dept. Political Dept. for communication to Political Officers. Administrations. Labour Dept., E. A. Dept., Political Dept., Finance Dept., Provl. Govts.</p>	
<p>2. DEMOBILIZATION SCHEME. (a) To make a public announcement regarding demobilization.</p>	<p>War Dept. F. A. W. & S.</p>	<p>Defence Dept. Labour Dept. War Transport Dept.</p>	
<p>(b) To put into action demobilization plans</p>	<p>War Dept. F. A. W. & S.</p>	<p>Labour Dept. Defence Dept.</p>	
<p>3. PRISONERS OF WAR. Public announcement of plans for repatriation and rehabilitation of Indian Prisoners of War and Civil Internees.</p>	<p>Defence Dept. Commonwealth Relations Dept. F.A.W. & S. Finance Dept.</p>	<p>War Dept. Political Dept. Commerce Dept.</p>	
<p>4. SPECIAL MEASURES TO BE TAKEN BY WAR DEPARTMENT SEPARATELY. (a) Review release of requisitioned ships and crafts including I.W.T. (b) WAR WATCHING SCHEME.</p>	<p>War Dept. F.A.W. & S.</p>	<p>Commerce, M. W. T. R. and Defence Dept. Finance Dept.</p>	
<p>Discontinue</p>	<p>War Dept. F.A.W. & S.</p>	<p>E.A. Dept. Political Dept. All Provl. Govts.</p>	

(C) RESTRICTIONS ON FISHING.

Necessity for continuance to be considered and announcements to be made.

War Dept. E. A. Dept.
 F. A. W. & S. Political Dept.
 All Provl. Govts.
 Dept. of Agriculture.
 Dept. of Food.
 Dept. of Commerce.
 Dept. of War Transport.

(d) METEOROLOGICAL REPORTS

(i) Remove restrictions on the provision of meteorological information to Shipping, All India Radio, the Press and General Public.

War Dept. P. & A. Dept.
 Commerce Dept.
 I. and B. Dept.

(ii) Review of meteorological services required by the Armed Forces.

CHAPTER VI.—HOME FRONT**1. INTERNAL SECURITY.**

(a) Action taken under Restriction and Detention Ordinance, 1944 (III of 1944). Release of such of the persons detained under the Ordinance as can be safely released on the cessation of hostilities with Japan.

Home Dept. E. A. Dept.
 Political Dept.
 Provl. Govts.
 concerned.

The case will be reviewed beforehand and detainees will be earmarked for immediate release at the end of hostilities with Japan where such persons can be safely released.

To cancel formal orders of detention in respect of those persons who are to be released.

(b) ALIENS.

To review cases of civil internees with a view to release and repatriation.

Home Dept. War Dept.
 E. A. Dept.
 Political Dept.
 Provl. Govts. concerned.

If at the time the war with Japan ends there are still non-Japanese internees or parolees in India, it is proposed to release such of them as would come under the category of those who would not be compulsorily repatriated. It is now proposed to release Japanese internees who have families in this country and others who are reported by Camp Commandant to have been anti-Japanese in their behaviour during their internment.

Action to be taken	Departments of the Central Government primarily responsible	Other Departments or the Provincial Governments likely to be interested	General observations
(c) Relaxation of controls over protected places and areas including relaxation of restriction on photography.	Defence Dept.	War Dept. All other Depts. Provl. Govts. Home Dept. Political Dept. I. & B. Deptt. E. A. D.	
(d) Review of Security measures in all three Services and order relaxations.	War Dept. F. A. W. & S.		
3. <i>WINDING UP OF THE CIVIL DEFENCE FENCE AND THE F. A. D. SERVICES IF THEY HAVE NOT ALREADY BEEN WOUND UP.</i>	Defence Dept., Civil Defence Branch if still existing otherwise Defence Dept.	Defence Dept. in respect of A. R. P. Services and central buildings.	
3. <i>DEMOLITION OF P.A.D. AND A.R.P. STRUCTURES.</i>	War Dept. Defence Dept. F. A. W. & S.	Labour Dept.	
4. <i>PRECAUTIONS AGAINST FIRE IN FACTORIES.</i>	Labour Dept.	Defence Dept.	
To continue special arrangements made during wartime so long as it is found necessary to minimize the danger of fire.			
5. <i>CONTROL OF LIGHTS AND SOUNDS.</i>	Defence Dept. Civil Defence Branch.	All other Depts. except External Affairs Dept., Provl. Govts.	
Total withdrawal of lighting restrictions if not already done.			
6. <i>POWERS REQUIRED DURING THE TRANSITION FROM WAR TO PEACE.</i>	All Depts. of the Govt. of India including F. A. W. & S.	All Provl. Govts. and All Chief Commissioners.	The question whether they should be withdrawn as and when they become unnecessary or they should be allowed to lapse in the natural course of time to be taken up if not already taken up.
Continuance of controls over trade and commerce and production, supply and distribution of goods.			
7. <i>REQUISITIONED VEHICLES.</i>	War Dept. F. A. W. & S.	War Transport Dept.	
Review release of requisitioned vehicles			

CHAPTER VII.—TRANSPORT COMMUNICATIONS

1. **ROAD BUILDING.**
Review Road Building programme War Dept., Labour Dept.,
F. A. W. & S. Finance Dept. All Provl. Govts.
2. **SHIP BUILDING.**
Review of Ship Building programme Commerce Dept.
F. A. W. & S. Finance Dept.
Planning and Development Dept.
3. **RAILWAY TRAVEL FACILITIES.**
(a) To review rail travel facilities for passengers and if necessary to arrange for public statement. Railway Dept. All Provl. Govts.
(b) To notify Regional Priority Officer, General Manager of Railways and Provincial Governments.
4. **PASSENGER TRAVEL FACILITIES (SHIPPING AND AIRCRAFT).**
To issue public announcement on the continuance of control of all civil passages by sea and air to the U.K. M.W.T.R. Commerce, P. & A. All other Depts. All N. S. A. Cs. All Provl. Govts.
To inform Depts., Provl. Govts. and N.S.A.Cs. on the continuance or otherwise of the Key Leave Scheme. Defence Dept. (C.P.C.) Air Priorities Board.
5. **CONTROL OVER PORTS.**
(a) **EXAMINATION SERVICE AT PORTS.**
Question of discontinuance to be taken up War Dept. Commerce Dept.
F. A. W. & S. War Transport Dept.
C. B. R.
War Transport Dept., Commerce Dept.
(b) Notification under Section 68-B of Indian Ports Act.
(c) Rescinding of orders under Rules 60 and 62-C of the Defence of India Rules. Commerce Dept. Dept. Dc.

While there is a probability of an immediate and substantial increase in the demand for railway facilities it is unlikely that in view of the depletion of rolling stock increased facilities can be provided on the railways. It is doubtful whether any immediate increase in road travel facilities would be provided. Some public inconvenience and delay therefore is likely to occur and the question of issuing a public statement explaining the difficulties will be kept in mind.

Action to be taken
 Departments of the Central Government primarily responsible
 Other Departments or the Provincial Governments likely to be interested
 General observations

6. **CIVIL AVIATION.**
 (a) Relaxation or removal of war restrictions on civil aviation. P. & A. Dept. War Dept. In the interests of post-war reconstruction and development, the object should be to remove all obstacles to the revival of civil flying as early as possible.
 (b) Modification of the routes, frequencies and security organisation of certain overseas Air Services to and from India. War Dept. Posts & Air Dept. Defence Dept. E. A. Dept.
 7. **INTERNAL CENSORSHIP.** Home Dept. I. & B. Dept.
 Review Press and Posts and Telegraphs censorship and make a public announcement. War Dept.
 8. **CONTRABAND CONTROL** Commerce Dept. Political Dept. External Affairs Dept.

CHAPTER VIII.—FINANCE

1. **EXCHANGE CONTROL MEASURES.**

To issue 'a standstill' announcement that all exchange control measures will continue unchanged until repealed and that relaxation will be announced as and when possible.

Finance Dept., C. B. R. Reserve Bank of India, Commerce Dept., Political Dept.

2. **NATIONAL SAVINGS CAMPAIGN.**

To arrange for publication of announcement on the need for the continuance of the campaign, provided the termination of hostilities does not induce an acute deflationary sentiment.

All Provl. Govts., Chief Commissioners, E. A. Dept., Political Dept., Reserve Bank, and D. G. P. & T.

3. **CAPITAL ISSUES CONTROL.**

To arrange for necessary revision of the basis on which the control is to be administered.

P. & D. Dept., Political Dept.

CHAPTER IX.—CIVIL SERVICES

1. Retrenchment of temporary establishment entertained during the war.	Finance Dept.	All other Depts., Political Dept., All Provl. Govts., F. A. W. & S.
2. Resettlement and re-employment of demobilized service personnel. Issue a public announcement.	Labour Dept. Defence Dept. E. H. & L. Dept.	War Dept. Home Dept., and all other Depts. All other Depts.
3. Resettlement and re-employment of temporary staff not covered by 2 above discharged as a result of shrinking of governmental activities.	Home Dept. Defence Dept.	All other Depts.
4. OTHER PERSONNEL MATTERS		
(a) Wartime Allowance	Finance Dept. Home Dept.	All other Depts. F. A. W. & S.
(b) Dearness Allowance	Do.	Do.
(c) Leave Concessions.	Finance Dept. Home Dept.	All other Depts. F. A. W. & S.
(d) Any other matters .	Do.	Do.

Information promised in reply to parts (b) and (c) of unstarred question No. 137, asked by Seth Govind Das on the 14th March, 1946.

GROSS MISUSE OF TIMBER TRANSPORT PRIORITIES BY M. E. S. CONTRACTORS

(b) Yes Sir. The facts of the case are briefly as follows :

"The Secretary, Timber Transport Advisory Committee, Central Provinces and Berar received advice of alleged sale of timber at Itwari brought by a Military Engineering Service Contractor on a transport priority granted to him to Itwari for ultimate despatch to Pulgaon after sawing at Itwari. The wagon ex-Ramakona Nos. 00862 and 00608 were purchased by test purchaser one wagon ex-Pandhurna No. 68857 was also similarly sold in the market".

(c) The case was enquired into and the Committee noted that the transactions amounted to an abuse of the priorities issued. The matter was reported to the military authorities. The Committee felt that at that stage as conclusive proof might not be available the matter was dropped after warning the M. E. S. Contractor.

Information promised in reply to parts (b) to (e) of starred question No. 1116, asked by Sri A. Karunakara Menon, on the 20th March, 1946.

HOWRAH SYSTEM OF BOOKING AT KARACHI BUNDER STATION

(b) I understand there was no transfer of staff as a result of the alleged mis-management referred to in part (a) of the Question.

(c) Rs. 2,600 per mensem.

(d) I am informed that all Associations except the Karachi Chamber of Commerce were against the scheme from its inception, but after the Scheme was abolished the Karachi Chamber of Commerce claimed that they should have been consulted before closure.

(e) In view of the reply to part (b) this does not arise.

Information promised in reply to starred question No. 1342, asked by Seth Govind Das, on the 28th March, 1946.

CHALLANS UNDER MOTOR VEHICLES ACT OF TRANSPORT COMPANY'S SERVANTS IN C. P. AND BERAR

(a) and (b). Number of prosecutions against servants of the Central Provinces Transport Services, Limited.

Name of District	No. of cases challan- aned	No. of convic- tions	No. of acqui- tals	No. of cases pending	General nature of complaints
1	2	3	4	5	6
Yeotmal	1	1			Not operating to scheduled timing.
Raipur	4	3		1	Driving goods vehicles without lights.
Chhindwara	7	5		2	Drivers on duty without badges, smoking in vehicles, overloading, carrying passengers with infectious disease, charging excess fares.
Betul	7	5		1	Leaving vehicle without driver (84), not taking steps to secure medical attention to person injured in accident (89), leaving vehicle in a dangerous position (81).
Chhindwara (Seoni Sub-Division).	2	2			Non-production of permit, driving with one head light only, driver's seat not in proper condition.
Mandla	2	2	..	..	Drivers without badges.

1	2	3	4	5	6
Wardha . . .	8	6	..	2	Non-observance of timings, drivers without badges, carrying a passenger on foot-board.
Jubbulpore . . .	12	3	..	9	No proper permit containers, no side mirror, no badge number, no time table, speedometer out of order, no rear light.
Khandwa . . .	3			3	Failure to stop buses at the proper motor stand.
Amraoti . . .	8			8	Failure to keep tools and accessories, refusal to carry persons tendering legal fare, conductor not wearing badge, running with single head-light, failure to issue tickets when legal fare was paid, fare and time-table not properly exhibited.
Nagpur . . .	23	15	8	60	(1) Charging excess fare . . . 1 (2) Breach of conditions of permit . . . 19 (3) Driving at excessive speed . . . 1 (4) Leaving vehicle in dangerous condition . . . 1 (5) Failure to stop in certain cases . . . 2 (6) Disobedience of orders, obstruction and refusal to supply information . . . 1 (7) Breach of duties laid down under the Rules for drivers & conductors . . . 11 (8) Drivers and conductors without badge while on duty . . . 3 (9) Carrying more persons in goods vehicles than authorised . . . 1 (10) Lamps, horns, communication bell and spares and accessories—breach of Rules . . . 23 (11) Unauthorised painting or markings on a vehicle . . . 3 (12) Speed Governors not properly fitted . . . 18
Total . . .	137	42	9	86	

Number of prosecutions against servants of the Provincial Transport Co. Limited.

Name of District	No. of cases challan- ed	No. of convic- tions	No. of cases pending	Nature of complaints
1	2	3	4	5
Yeotmal . . .	6	2	4	Not operating to scheduled timings.
Chanda . . .	2	..	2	Not carrying spare wheel and tyre.
Wardha . . .	3	3	..	Not operating to scheduled timings, driving in drunken condition.
Nagpur . . .	63	8	56	(1) Driving without licence . . . 1 (2) Driving without permit . . . 8 (3) Breach of conditions of stage carriage permit . . . 6 (4) Breach of conditions of contract carriage permit. . . 4 (5) Leaving vehicle in a dangerous position . . . 8 (6) Failure to produce licence and 12 registration certificate. (7) Failure to stop in certain cases . 1 (8) Drivers and conductors with- out badges while on duty . . 5 (9) Failure to carry spares and accessories. . . 1 (10) Driving without light and horn 6 (11) Miscellaneous . . . 11
Total . . .	74	13	61	

No cases were withdrawn after being filed.

Information promised in reply to starred question No. 1394, asked by Sri M. Ananthasayanam Ayyangar, on the 29th March, 1946.

RECRUITMENT AND EMPLOYMENT OF GORAKHPUR LABOUR IN COAL MINES

Report on the audit of the accounts of the Unskilled Labour Organisation (Coal), Dhanbad.

(i) Name and Designation of the auditing officer :—Mr. B. N. Chakravarty, Assistant Accounts Officer, Bihar.

(ii) Date of inspection :—21st May 1945 to 28th June 1945.

(iii) Names of administrative officers :—

- I. U. Alexander, Esq., I.C.S., Officer on Special Duty, Labour.
- N. Barracrough, Esq., O.B.E., Regional Coal Controller (P) Bengal/Bihar.
- E. Nestor, Esq., Chief Administrative Officer, Gorakhpur Labour.
- Major H. J. Walsh, Dy. Director of Unskilled Labour (Coal), Dhanbad.

2. *Scope of audit.*—This report embodies the result of audit of the Accounts records for the period from the inception of the organisation to the 31st August 1944. Replies to detailed audit objections raised during the course of audit are still awaited.

3. *Preliminary.*—The labourers were supplied from Gorakhpur for employment at different worksite at different collieries in the Jharia and Raniganj Coalfields. All payments on their recruitment boarding and railway fares upto the time of their arrival at Dhanbad etc. were paid by the Gorakhpur Depot. These charges have not yet been incorporated in the local accounts nor even their full details available.

On their arrival at Dhanbad and despatch to different camps ; all expenses incurred on them for feeding, lodging, wages, medical attendance, supply of tools for works etc. were paid by the Dhanbad Organisation.

Construction of camps for the accommodation of the labourers was undertaken by the Central P. W. D. and paid for by them.

Regarding recoveries of the cost of work done by the labourers, special rates were made out by the Mines Department and a committee of Colliery proprietors in accordance with Government of India Department of Labour's letter No. Coal 22/153 of 9th February 1944 to the Chief Inspector of Mines Department. Bills were prepared for works done by the labourers for payment by the collieries direct to the treasury. Details of assessment and realisation of the dues from the collieries for the period under audit along with necessary bills and measurement books could not be made available for audit scrutiny.

4. *Drawal of fund.*—Initially funds were provided from Gorakhpur Treasury on Mr. Alexander's accounts. Current account was opened in the Imperial Bank of India, Dhanbad Branch, with the amount thus obtained and was operated upon by Mr. Barraclough or Mr. Nestor. Sanction of competent authority for lodging Government money with the bank by opening a personal account does not however appear to have been obtained.

From the 10th July 1944 funds were drawn by Mr. Nestor on simple receipt from the Dhanbad Sub-Treasury as per Government of India's orders. The total drawals of funds are as follows:—

(i) From Gorakhpur Treasury :—

	Rs.
(a) During 1943-44	2,20,000
(b) From 1st April 1944 to 31st August 1944	7,40,000

(ii) From Dhanbad Sub-Treasury :—

From 10th July 1944 to 31st August 1944	3,19,382
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Total	12,79,382
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5. *Classification and adjustment of receipts and charges.*—The entire charges were debited to "47-Miscellaneous Department Labour and Emigration L-Labour-Co-ordination of Unskilled Labour Supply Scheme". The Deputy Director has however been instructed to allocate the charges between this head and "advance Repayable-Special Advances" as laid down in para 3 of G. I. F. D. letter No. D 2210 of 30th May 1944. He has also been specially directed to maintain separate accounts for each project and to debit all expenditure thereto "Advances Repayable Special Advances". Full particulars of charges incurred at Gorakhpur should also be obtained and allocated accordingly. Recoveries from Mine Owners should also be adjusted separately for each project as laid down in para. 4 of G. I. F. D. letter quoted above.

6. *Details of Receipts and Charges.*—Out of Rs. 2,20,000 provided for 1943-44 funds amounting to Rs. 97,761-11-0 were drawn, leaving a balance of Rs. 1,22,238-5-0 with the bank. The expenditure for the period was for Rs. 97,359-7-6, leaving a closing cash balance of Rs. 402-3-6 with the camps (Bermo= 199-15-6, Chandkuniya= 202-4-0). The cash books for the period do not show the entry relating to the drawal of Rs. 61-11-0 as per cheque No. 57003 of March 1944 and of its disbursement.

Out of Rs. 1,210-12-0 (representing the opening cash balance brought forward on the 20th June 1944 in Mr. Nestor's cash book, although there was no previous cash balance) and Rs. 11,82,022-8-6 (*viz.* Rs. 10,59,382 drawn from the Gorakhpur Treasury and Dhanbad Sub-Treasury from the 1st April 1944 to the 31st August 1944 and Rs. 1,22,640-8-6, balance with the bank and at camps) the expenditure was for Rs. 11,02,001-13-10 leaving a balance of Rs. 81,231-6-8 as detailed below :—

	Rs. A. P.
(a) Cash balance in hands of Mr. Nestor	9,959 1 0
(b) Balance deposit at the Imperial Bank	65,791 9 3
(c) Cash balance at the Camp	5,480 12 5

The total expenditure of Rs. 11,99,361-5-4 to the end of the 31st August 1944 (Rs. 97,359-7-6 upto March 1944 and 11,02,001-13-10 from April to August 1944) was incurred on the following items :—

(i) Payment of wages and repatriation charges (ii) Travelling allowances (iii) Purchases (iv) Postages (v) Imprest (vi) Advances (vii) Miscellaneous.

7. *Cash Books.*—The figures noted above are based on the accounts records furnished for audit scrutiny. It is however doubtful whether all records were made available. In this connection an extract of the report of the Dy. Director to the Director (*vide* his letter No. LSC-602/27 of 28th March 1945) is noted below :—

"I am not in a position to state definitely that the entire amount drawn and expended since Gorakhpur Labour came to the Bengal and Bihar Coalfields are recorded in Cash books nor can I confirm that all cash books are in this office, only those sent in from camps are available and whether these were the actual number of books originally maintained is not known".

No attempt appeared to have been made to locate all the cash transactions and to open a centralised cash book including all the transactions. It is essential that this should be done without further delay on the lines as locally instructed.

The cash books for the period as were available for audit scrutiny, were not maintained properly. There was no record to show that physical verification of cash was made. The entries therein in most cases were not attested by the holders of the cash books. In some cases, the entries of the cash transactions were not made in chronological order from which it may be inferred that transactions were not recorded as soon as they occurred. It was also observed that private loans, which were subsequently paid, were at times taken to meet current expenditure. The practice was irregular.

In Mr. Nestor's cash books, transactions relating to imprests and advances granted to Group Officers etc. for making petty payments or for disbursement of wages to labourers and other were shown as final charges. In some cases, the camps again showed their receipts and actual payments in their cash book. This procedure resulted in duplication in accounts without exhibiting the actual cash position. The unpaid wages, recoveries of advances, paid to labourers at Gorakhpur, fines realised from them etc. were not always detailed in the camps cash book and returned back to Mr. Nestor but was utilised in making petty payments and thus in some camp, a regular and independent cash book was kept while in others, only imprest cash accounts were maintained.

The cash book maintained by Mr. Nestor did not show any entries relating to the receipts of funds from Gorakhpur Treasury nor their deposit into the Imperial Bank of India. Transactions, relating to the withdrawal and deposit of Rs. 50,031-4-0, as noticed from the account of the Imperial Bank of India, were not also recorded in any cash book. Full particulars in this connection should be furnished, stating the circumstances under which these transactions were not entered in the cash book. The full circumstances under which Rs. 1,210-12-0 was brought forward as the opening cash balance on the 20th June 1944 in Mr. Nestor's cash book should be stated.

8. *Vouchers.*—The vouchers generally do not bear any pay order or certificate of disbursement. In any cases, the entries on the cash books were not supported by relevant vouchers. Where vouchers were available, necessary quittances of the payees (stamped where the amounts of disbursement exceeded Rs. 20) were not duly obtained in many cases. Full detailed information were not always available from these vouchers.

9. *Payment of wages and repatriation charges.*—In the payment sheets, showing details of disbursement of wages to labourers etc. the Group Commander and the Accountants did not generally sign necessary certificates to the effect that wages were paid in their presence and quittance duly obtained thereof. In some cases, the amounts disbursed as shown in the payment sheets did not agree with the corresponding entries in the cash books and require early reconciliation. In some cases, it was also noticed that the totalings in the payment sheets were not accurately worked out while in some cases, although no payment was made to the absconding or deceased labourers etc. these amounts were included in the totals of the wages disbursed.

The total amount of wages of labourers etc. for more than one camp were sometimes drawn on a single cheque and shown as final charges in the cash book without detailing the requirements of each camp. Comparison of these amounts with the total disbursement as exhibited in the corresponding payment sheets showed discrepancies. It is essential that the payment sheets should be checked and the details of actual payment entered in the centralised cash book furnishing full particulars.

A register should be opened to record the details of unpaid wages and of their subsequent payment, quoting names of the employees etc. and voucher Nos. and dates in both the cases.

Another register should also be maintained to record details of expenditure on account repatriation charges for each camp.

10. *Travelling allowances.*—These were paid on simple bill forms instead of obtaining full particulars of the journeys performed in proper bill forms. There was no evidence to show that these bills were duly checked and endorsed by the Controlling Officer. Charges for hiring of taxis, meals and tiffins etc. were allowed at rates higher than those permissible under the T.A. rules for mileage and daily allowances. Even a tip to the hotel waiter was met from Government fund. Necessary sanction to these charges should either be obtained or these bills should be checked and allowed only for the amounts permissible under rules. The excess payment, in this connection, should either be recovered from the persons concerned or written off under orders of competent authority.

11. *Purchases.*—Open competitive quotation, which should have been sealed, were not generally invited and orders placed with the lowest tenders. The bills for the purchases were not duly verified prior to their payment. Stock registers were not maintained properly to record all the receipts of materials and their subsequent disposal. Instructions have been issued locally to open immediately the following stock registers which should apart from the local purchases include the supplies made from the Gorakhpur Depot.

(i) Stock Register for Stationery.

(ii) Stock Register for Medical Stores.

(iii) Stock Register for Rations.

(iv) Stock Register for Furniture and other equipments.

As the balances of materials in hand were not duly verified these should be counted or measured. Discrepancies between the actual and book balances should be reconciled without further delay. Steps should either be taken to recover the cost of materials found short from the persons responsible for the shortages or sanction of competent authority should be obtained for its write off.

The ration issue registers did not always bear the attestation of the Group Commander, Unit Commander, Ration Officer and Supervisor. In some cases, the numbers of labourers as per ration issue book did not agree with the attendance register and should be reconciled. In a few cases Doctors etc. drawing a pay exceeding Rs. 200 per month were allowed free rations. The circumstances under which this was done should be stated.

12. *Postages*.—Prior to July 1944, ordinary postage stamps, instead of service postage stamps, were used. No account was maintained for these stamps to record their receipts and disposal.

Sanction to the purchase of ordinary postage stamps should be furnished. Necessary stamps account should also be opened showing their receipts and transfer to camps or final disposal.

13. *Imprests*.—In some cases, the receipts of imprests as shown on the camps cash books did not agree with the corresponding issue shown in Nestor's cash book and require reconciliation.

The present system of showing the grant of imprests as final charges should be discontinued, and replaced by the P. W. D. system, wherein the imprest transactions are recorded in red ink without any entries being made in the money column. This will simplify the recording of imprest accounts and will also facilitate in watching the amounts of imprests lying with each of the camps.

14. *Advances*.—Apart from the advances on account of T. A. and pay on transfer, other advances were granted to the employees. Sanction of competent authority to the grant of such advances should be obtained in support of these payments.

No register was maintained to record the issues and recoveries of advances. This should be opened without further delay and should also include the transactions relating to the advance granted to the labourers at Gorakhpur.

As all these advances have not yet been duly recovered, steps should be taken for their recovery at a very early date. Regarding recovery of the advances from the absconding labourers necessary action as laid down in sub-para 2 of para iii (b) (iv) of the "Instructions for recruitment and employment of imported labour" issued by the G. I. with their No. L. R. 91 of 10th April 1944 should be taken without further delay. As regards recovery of advances from the deceased and discharged labourers these amounts may be deducted from their arrear bills and the irrecoverable advances written off under order of competent authority.

15. *Miscellaneous*.—The cost of carriage charges, typing charges, bank charges for issuing drafts etc. were booked under this head. Regarding carriage charges of materials, details of materials and distances and whether these materials were duly taken into accounts were not recorded on the vouchers. Full particulars of the charges and sanction of competent authority for incurring them where not detailed in many cases on other vouchers.

16. *Financial Powers*.—Detailed instructions regarding delegation of financial powers to the local authorities do not appear to have been issued. Fines were imposed on the labourers etc. although there was no sanction of Government of India in this respect. As the subordinates are required to handle heavy cash the desirability of obtaining security from them may be considered.

17. *State of Accounts*.—From the remarks, made above, it will be observed that the accounts records were not properly maintained. It is desirable that immediate steps should be taken to set them right.

(S.d. B. N. CHAKRAVARTY,
Assistant Accounts Officer, Bihar.

Memo. No. C-Labour-615.

Ranohi, the 27th July 1945.

Copy forwarded to Director, Unskilled Labour Supply, Anderson House, Alipore, Calcutta, for information.

(Sd.) Accountant General.

Report on the audit of the Accounts of the Unskilled Labour organisation (Coal) Dhanbad.

(1) Name and designation of the auditing Officer.—Mr. B. N. Chakravarty Asstt. Accounts Officer, Bihar.

(ii) Date of inspection.—21st November 1945 to 22nd December 1945.

(iii) Name of administrative officers. :—

(A) I. U. Alexander, Esq. I.C.S., Officer on Special Duty, Labour.

(B) Mr. H. J. Walsh, Dy. Director of Unskilled Labour (Coal), Dhanbad.

2. *Scope of Audit*.—This report embodies the result of audit of accounts for the period from September 1944 to March 1945. Apart from this report detailed audit objections were raised locally during the course of audit and replies thereto are still awaited.

3. *Action taken on last report*.—Complete action has not yet been taken. Replies to detailed audit objections raised during the last occasion have not yet been given.

4. *Measurement Books*.—No register showing the details of the measurement book including the name of the Surveyor to whom issued and the date of its issue and return has been maintained. Pages of the books have not been numbered. Corrections in the entries made have not been attested by dated initials or the cancellation of measurement have not been supported by (i) dated initials of the officer ordering the cancellation and (ii) proper reasons for the cancellation. Pages containing measurements have not been crossed giving reference to the number and date of challan showing credit of the amount at the treasury by the respective colliery.

5. *Classification and adjustment of receipts and charges*.—In accordance with the instruction of the Deputy Director charges debitable purely to "Advance Repayable—Special Advances" have been allocated but there is a confusion regarding allocation of contingent expenditure as it is not understood from the entries in the cash book as to the portion which relates to expenditure of the Head Office debitable to the head "25—General Administration" and what relates to "Advance Repayable".

Details of receipts and charges. Receipts are composed of the following items:—

- (1) Amount drawn from the Treasury.
- (2) Drawings from the personal account opened at the Imperial Bank of India.
- (3) Refund of Advances.
- (4) Refund of unpaid wages.
- (5) Refund of unspent amount of the Imprest given to the camps.
- (6) Realisation of fines.
- (7) Adjustment of imprest money which was taken as final expenditure at the time of granting imprest to the camps.
- (8) Items (3), (4) (5) and (6) are treated as departmental receipts and should not be utilised towards departmental expenditure under Rule 7 of the Central Government compilation of the Treasury Rules Vol. I.

Item (2) The total expenditure of Rs. 64,460-17-3-1 to end of March 1945 was incurred on the following items leaving a balance of Rs. 177,950-13-3, viz. Rs. 3479-12-3 cash in hand and Rs. 1,74,476-1-0 with the Imperial Bank of India, as detailed below:—

	Rs.	As.	Ps.
Total drawsals	6,636,858	4	3
Opening balance	73,168	7	4
	Total		
	67,10,026	11	7
Less Refund	86,028	11	3
	Netdrawal		
	66,23,998	0	4
Expenditure	64,46,047	3	1
	Total		
	1,77,950	13	3

- (a) Payment of wages.
- (b) Repatriation charges.
- (c) Travelling expenses.
- (d) Purchases.
- (e) Postage.
- (f) Advances.
- (g) Imprest.
- (h) Transportation charges
- (i) Recruiting expenses.
- (j) Miscellaneous.

The closing balance on 31-8-44 now found is Rs. 73,168-7-4, viz. cash balance in hand was Rs. 7,376-14-1 and the balance with the Imperial Bank of India is Rs. 65,791-9-3 and not Rs. 81,231-6-6 as shown in previous report.

6. *Cash Book*.—A centralised cash book has been opened as instructed previously but there is no record to show that physical verification of cash was ever made. This may be done immediately and record to this effect may be kept in the cash book. The entries have not been initialled by the disbursing officer. The corrections in mistakes have not also been attested. In some cases full details of charges have not been recorded. It cannot be ascertained from the cash book what is the real cash position as the unpaid wages recoveries of advances fines realised from the labourers have been utilised in making petty payments instead of depositing those amounts to Treasury. It is also seen that some amounts have been classified as suspense pending adjustment. Those amounts should be cleared off and the accounts with the party concerned should be settled. Items recorded in the cash book have not been properly classified

which makes it difficult to ascertain what relates to the expenditure of the Central Office and what to the advances repayable proper. If there is no sufficient space for recording classification, an abstract of expenditure may be prepared in at the end of each month. As one cash book has been maintained, it is desirable that the major head of account to which the expenditure is debitable should be noted invariably so that any confusion may not arise. Further it cannot be ascertained from the entries in the cash book whether imprest holders submit their monthly accounts regularly. To watch these it is suggested that some date may be fixed for sending monthly accounts with a certificate that the balance in hand is Rs. by the camps and the camp transactions may be recorded after the transactions of the central office are noted. The balance should be drawn up as follows :—

	Rs.
Cash balance in hand
Balance with the Imprest holders
Total balance

The cash balance in hand should be verified by actual counting of the money in the chest.

7. *Vouchers*.—The vouchers generally do not bear any pay order or certificate of disbursement. In many cases abstract of expenditure has been prepared but no sub-vouchers in support of the expenditure shown in the abstract were available. Necessary quittance of the payees (stamped where the amounts of disbursement exceed Rs. 20) were not duly obtained in many cases. It is also observed from the vouchers that necessary check was not exercised, merely an abstract has been prepared and entered in the cash book. It is suggested that necessary check as prescribed in Art. 13 of C.A.C., Vol. I may be made before they are entered in the cash book. Full and detailed information was not always available from these vouchers in most cases. In some cases pie payment in respect of T. A. and establishment charges has been made which is in contravention of Article 10-A of C. A. C., Vol. I

8. *Payment of wages*.—The rate fixed for the workers is Re. 1 per day viz. 0/12/0 for wages and 0/4/0 for bonus on account of good work done by the workers. As the payment of bonus depends only on good work done it implies that bonus is admissible only for the good work dependent on the output for the days they work at the worksite and no for Sundays and Holidays during which they do not work. Such being the case the payment of bonus for Sundays and Holidays as made in many camps seems to be irregular. To regularise it special sanction of the competent authority may be obtained. It is found in many camps that in the payment sheets, showing details of disbursement of wages to labourers the group officer and the accountant did not generally sign necessary certificates to the effect that wages were paid in their presence and quittance duly obtained thereof nor has any abstract showing (1) wages paid gang by gang, (2) wages remaining unpaid and action taken on the unpaid wages (3) wages due to the deceased and absconding labourers after deducting advances, if any due from them been prepared. Necessary instructions on this point may be issued to the camps. In many cases it is also found that amounts due to the absconders have been worked out up to the day the labourer left the station and not upto the date from which they are absent from the camp. It is seen from the Muster Rolls of some camps that workers have been allowed wages for holidays which they are not entitled under Item No. XIII of the instructions for the recruitment and employment in India of imported civil labour, etc. received with G. I., Deptt. of Labour No. L.A. 91 dated 10th April 1944 special sanction may be obtained to regularise the charge.

9. *Absconding Labourers*.—A register showing the amount due from the absconders on account of advance paid to them at the time of their despatch and the amount due to them for the days they worked at the worksite has been kept. It is suggested that the outstanding advance may be set off against the wages due to them. The balance if any left after such adjustments may be written off with the sanction of the competent authority if it is found that such amounts are not recoverable from them. Under item No. IV of para. III of the Instructions, etc., laid down in G.I. Deptt. of Labour No. 91 dated 10th April 1944, if the advance is not fully recovered the employer should send accounts to the district officer of the district from which the person was recruited for making necessary recoveries. Necessary steps do not appear to have been taken. It is therefore, suggested that prompt steps may be taken to effect recoveries as contemplated in the instructions etc. before the Competent authority is approached for the write off.

10. *Repatriation charges*.—When the labourers are repatriated either on medical grounds or on completion of full term of service according to agreements, the following amounts are paid to them :—

- (a) Wages due to them before they leave the camp.
- (b) Railway fare for journey to Gorakhpur.
- (c) Diet money for 2 days journey at the rate of Re. 1 per day.

A register showing the amounts paid has been kept. In many cases full details of the charges and quittance of the labourers were not available. It is also noticed that labourers have been paid wages beyond the date of repatriation. Such payment may be justified. It is laid down in the G.I. Department of Labour letter No. L.R. 91 dated 10th April 1944 that rations will be supplied

under Provincial arrangements. Diet money for 2 days journey paid to the labourers is in lieu of free rations. Accordingly diet money should be regularised under Provincial arrangement. It will be observed that ration money during transit by rail is at the rate of annas 12. It may be considered whether diet money in such cases should be restricted to the limit applied in the case of Provincial Civil Labour Units.

11. *Compensation*.—Rs. 13,230 has been paid for 8 men, at the rate of Rs. 1,300 to 7 men and Rs. 630 to one man under the Workmen's Compensation Act with due approval of the Commissioner during the period under audit. All the columns in the register kept for this purpose have not been filled in. This may be done now.

12. *Travelling Expenses*.—These were paid on simple bill forms instead of obtaining full particulars of the journeys performed in proper bill forms. There is no evidence to show that those bills were duly checked and endorsed by the controlling officer. Charges for hiring of taxis, *ekkas* and rickshaws tiffins were allowed rates higher than those admissible under the T. A. rules for mileage and daily allowances. Necessary sanction to those charges should either be obtained or these bills should be checked and allowed only for the amounts permissible under rules. The excess payment in this connection, should either be recovered from the persons concerned or written off under orders of competent authority. Daily allowance is granted to Government servants under ordinary rules to cover the expenses of the day. It may be considered whether persons getting free rations will be entitled to both daily allowance and free rations for the days they remain absent from headquarters.

13. *Rations (Supply)*.—According to the terms of Contract the Deputy Director of Labour was to supply trucks to the Contractor for which the contractor was liable to pay hire charges at the rate of -/12/- per mile. No recovery in this behalf has yet been made from the Contractor.

14. *Issue*.—On examination of some of the ration charts it appears that rations were issued weekly in advance on the basis of the attendance in last day of the week the labourers worked. This resulted in issue after the issue of the ration and not of the rations to the labourers who absconded and died. It is also free from doubt that all the sick labourers should get normal rations during their illness, *i.e.* some of them should get the normal rations and some hospital ration. Thus the labourers who got the hospital ration also took the normal rations. The better course was to curtail rations in the week to come. The rations were supplied on the strength of the last working day in the week in which sick and absent labourers were taken into account. The proper course was to exclude sick labourers who are not entitled to normal rations and labourers who are absent under item No. (f) of para. VII of the Instructions received with Government of India, Department of Labour No. LR. 91 dated the 10 April 1944 in case of voluntary absence a person shall be entitled to only half the rations otherwise admissible. It is seen from the attendance rolls that there were many labourers who remained absent from the worksite. To allow full rations instead of half as contemplated in the Instructions was the reverse irregular. There is no provision for supply of sweetmeat with instructions referred to above. The supply of sweetmeats should therefore, be covered by special sanction which may be obtained. Under circular No. LSC-60 dated the 10 August 1944 of the D.U.L.S. the distributions of rations required the presence of these officers, *viz.* Group Officer, Unit Commander and Ration Officer, but in many cases these instructions have not been followed.

15. *Equipment*.—Major portion of the equipment except cane baskets has been supplied by the equipment centre. It is seen from the vouchers and entries in the cash book that some local purchases of crowbars and iron rods have been made from Jharia Market without any agreement and without any tenders being invited as required under rule 2 of Appendix VI of C. A. C. Vol. I. Local purchase was irregular under rule 4 of Appendix 4 to C. A. C. Vol. I, which lays down that important plant machinery and iron and steel work shall be obtained only from firms approved by the Chief Controller of Stores, Indian Supply Department and specified in the lists issued by him from time to time. The procedure laid down in the rules are, however, not being followed.

16. *Medical Stores*.—From the vouchers it appears that purchases of medicine in almost all the cases have been made from the Jharia Medical Hall instead of through the Indian Medical Stores Department. No records could be produced showing the inability of the I.M.S. Department to supply the medicines before making local purchases. This was irregular. Necessary sanction to such purchase may be obtained. There is no indication in the vouchers that articles were received in good condition and counted and entered in the stock register.

17. *Stock Register*.—Two stock registers have been maintained *viz.* one for general stores and the other for medical stores.

(a) *General Stock Register*.—It is found from the register that proper accounts in respect of receipts, issues of stores have been maintained and balances struck out. But there is no evidence to show that any physical verification of stock was made by a responsible officer. This may be done immediately. Proper action may be taken for the articles found surplus or short, as the case may be, after physical verification. With a view to maintain a collective account it is suggested that articles received direct by the camps may be brought into general stock. Unserviceable articles still borne on the stock may be disposed of by sale or destroyed if not saleable after taking the necessary orders of competent authority.

(b) *Medical Stock Register*.—Stores that are received from the Indian Medical Store Department or procured by local purchase have been entered in the register after the start of the central office. Medical Stores purchased prior to the start of the office of the Directorate have not found place in the register. Issue of Medical Stores to camps has been made generally from the central stocks, except in a few instances in which medical stores purchased locally have been issued direct to the camps without entry in the general stock register. These stores may be entered. It is noticed from the invoices that some articles have been received short and some broken. The invoice does not indicate that any action has been taken for shortage and breakage but full payment has been made. This point may be settled with the Supplying Department. In some cases articles have not been entered and issues have been made in excess of receipts. The invoices do not bear the endorsement that articles were examined and received in good condition. In some cases balances have not been struck. The register does not indicate that any physical verification of the stock was made since the inception of the organisation and this may be done immediately. Necessary steps may be taken for the adjustment of articles found excess or short. It is suggested that to have complete account of the organisation medical stores purchased direct by the camp before the start of the directorate may be brought to account of the Central Stores.

18. *Furniture*.—Two separate registers have been maintained viz. one containing the articles purchased prior to the start of the Directorate office and the other for the articles purchased after the opening of the office of the Directorate. Stocks may be verified immediately. Action may be taken for excess or shortage as may be revealed by physical verification. The following defects are noticed :—

(a) Source from which received—not stated.

(b) Voucher number—not quoted.

(c) Acknowledgment of issues—not taken.

(d) Articles of equipment such as blankets, pick axes, etc. have found place in the register which may be removed and entered into the proper register.

19. *Stationery*.—The register for recording the articles of stationery has not been maintained properly prior to October 1944 as the source from which articles were received was not stated, the voucher number was not quoted and issues not acknowledged. These defects may be removed. There are a number of cases, in which stationery worth more than Rs. 20 have been locally purchased in contravention. Purchases have been made by Group Officers who are not competent to do so without any power being delegated to them.

20. *Agreements*.—The following general observations are made on the agreements that have been submitted :—

(1) As the Director is not authorised to execute any deeds, contracts in excess of Rs. 2,500 the contracts deeds, etc. in respect of supply of rations equipment etc., which exceeds Rs. 2,500 should be executed by the Secretary to the Government of India.

(2) Rule (5) requires that no contract involving an uncertain or indefinite liability should be entered into. In some cases, i.e., in case of supply of rations and cane baskets it is found that the terms of the contract seems to be indefinite and not quite clear.

(3) Under rule tenders should be invited before contracts are placed. In some cases no tenders were called for.

(4) Rule (3) required that standard forms of contract should be adopted whenever possible and they are not used.

(5) There is no provision in some of the contracts for safeguarding Government property entrusted to contractor as required under rule (9).

(6) There is no provision for breach or failure of the contract in some cases.

(7) In some cases the deeds do not bear any date from which they will run. Signature of the party and witness has not been dated. In some cases witness has signed the deed long after the execution of the deed. The deeds have not been properly registered.

It is therefore suggested that the deeds may be executed in accordance with instructions contained in Appendix 8-G and 8-H of C.A.C., Vol. I.

A register showing the name and address of the contractors, articles in respect of which contracts have been placed, and amount of security deposit may be maintained.

21. *Stamps*.—It has been found from the vouchers that cash purchases for postage stamps have been made. As funds are obtained by drawing bills from the Treasury, there was no justification for such purchases. Even the Group Officers of certain camps have made such purchases which they are not competent to do. These charges may be regularised by obtaining special sanction of the competent authority. The instruction laid down in article 98-1 of the C. A. C., Vol. I, read with rule 12 of Appendix 5 to *ibid* may be followed in future. The stamp accounts submitted for audit have not been properly maintained as there are some mistakes in working out the balances. This may be reconciled. Receipts of service stamps may be entered in red ink and issues in black ink.

Advances.—Advances paid in the following cases seem to be irregular as they do not come within the category of those prescribed in Article 159 of C. A. C., Vol. I. They may be regularised under special order of the competent authority:—

- (i) Advance granted to the staff for purchase of warm clothing.
- (ii) Advance granted to a duffry at the time of going on leave.
- (iii) Advance granted to the staff against their pay to meet personal expenses.

In some cases credits or adjustments of advances are not traceable from the vouchers or the entries in the register maintained for the purpose.

Further it is seen from the voucher that the recruiting agent has also been allowed advances in connection with recruitment. The instructions etc. issued by the Government of India Department of Labour in their letter No. LR-91 of 10th April 1944 do not provide such advances. These may be regularised under the order of the Government of India.

Register maintained for watching recoveries of advances and clearance of suspense transaction

An examination of the register reveals the following defects:—

(i) The credit entries i.e. recovery or adjustment of advances made on the receipt of the disbursement sheets from the camps have not been noted against the debit entries. Only date of adjustment has been recorded from which it cannot be ascertained whether the date relates to recovery or payment of the advances. The proper course was to note the credit entries beneath the debit entries by drawing a line.

(ii) Credits have been noted independently without entering them against corresponding details.

(iii) Balances have not been drawn.

(iv) Entries have not been initialled.

(v) Voucher number not noted in support of debit and credit.

(vi) No action has been taken for the adjustment of advances outstanding for a long time.

The register was most advantageous to watch the outstanding and to watch whether advances have been recovered or not but it has been discontinued with effect from April 1945. As no authority for discontinuance of this register could be produced it is desirable that the register should be renewed with retrospective effect.

23. *Imprest.*—Imprest money ranging from Rs. 150- according to nature of transaction in the camp has been allowed out of the permanent advance sanctioned for the Dy. Director. The following defects have been noticed in the imprest account in the camps:—

1. The entries are not initialled.
2. Balances not struck out at the end of each month.
3. Imprest money not being recouped regularly.

It is suggested that in the case of transfer of charges and yearly on the 1st April each officer holding an imprest should send an acknowledgment to the Dy. Director of the amount due and accountable for by himself.

24. *Leave.*—Some leave accounts were checked. The following defects have come to notice:—

- (1) No formal order regarding the grant of leave.
- (2) Leave granted in many cases in excess of amount of leave due.

(3) Leave on medical grounds on full pay was granted to temporary Government servants of less than one year's service under Rule 144 of the Revised Leave Rules such leave is not admissible. The period of medical leave may be converted to the extent of earned leave due and the rest as leave without pay.

(4) Casual leave has been combined with other leave which is not permissible. Casual leave may be converted into leave due under rules.

(5) From the calculation sheet it is observed that officers took leave, but the nature, period of leave, the date of commencement of leave, the date on which they returned from leave are not traceable.

It is therefore suggested that leave accounts may be re-examined with reference to the rules and leave salary paid in excess due to irregular grant of leave recovered. There is no term as privilege leave in the Revised Leave Rules. The word earned leave may be substituted for privilege leave.

25. *Recruiting Expenses.*—Total expenditure in regard to the management of the Bureaux and debitable to the head "47 Misc. Deptt" to end of March 1945 is Rs. 20,407/7/6 against which Rs. 504/4/- only has been recovered during the year 1944-45 and deposited to the head "XXXVI Misc. Deptt. Miscellaneous". It has been decided that each colliery to which labourers are supplied will pay Re. 1 per labourer and only portion of the expenditure on the Bureaux which is not covered by the recoveries from the Colliery owners will be recouped from the Coal Administrative Cess Fund. Bills for recoveries are prepared in the central office and furnished to the owners of the respective colliery. A register has been maintained to watch the recovery. It transpires from the register that the amount due from the colliery is in course of recovery. The date of recovery has been noted but without *challan* No. which may also be noted.

26. *Transportation charges.*—Purpose of journey has not been fully detailed. The places from which the trucks took start and the places where these trucks went have not been mentioned for want of which no useful check can be exercised. It is suggested that the places where the trucks run should be mentioned in the Diary Register. In the case of trucks used by the Labour Food Supply Co. necessary certificate of going to the camp with the food staff should be recorded in the register duly signed with date and time. In case of trucks placed at the disposal of officers, it may be considered if the limit of mileage allowance should not be fixed and the mileage allowance should be charged for going beyond jurisdiction without the special order of the Dy. Director.

27. *Miscellaneous.*—

(a) Printing works of forms, etc., in excess of Rs. 150 have been done at the private press instead of at Government Press. Necessary sanction of the competent authority as required under Rule 26 of Appendix 5 to C. A. C., Vol. I, may be obtained.

(b) It is laid down in Rule X of Appendix 6 to C. A. C., Vol. I that all payments of amounts due by one Public Department to another should be made by book transfers. Cash payment for articles supplied to Government Departments seems to be irregular. This practice may be stopped.

(c) Undisbursed amount of wages have not been refunded promptly in some cases. Camps may be instructed to refund without delay.

(d) Disposal of gunny bags supplied with foodgrains and empty tins of kerosine oil, mustard oil and Ghee are not traceable. Their disposal may be explained.

28. *Financial Powers.*—Detailed instruction regarding delegation of financial powers to the local authorities are still awaited.

29. *General.*—It is suggested that registers maintained for several purposes particularly those mentioned for watching recoveries and adjustment should once a month be submitted to the Dy. Director or any Gazetted Officer subordinate to him for proper scrutiny.

30. *State of Accounts.*—The accounts records maintained are in order.

Sd. B. N. Chakravarty,
Assistant Accounts Officer, Bihar.

Information promised in reply to part (c) of starred question No. 1522, asked by Pandit Balkrishna Sharma, on the 3rd April, 1946.

OPERATION OF WAR RISK INSURANCE ORDINANCE OF 1940

(c) The number of appeals pending in the Provinces of Madras, Bengal and Bombay have already been furnished. As regards the remaining Provinces, the position is as follows:—

Central Provinces and Berar	10
United Provinces	24

No appeals are pending in any other Province.

Information promised in reply to starred question No. 1686 asked by Sjt. Seth Damodar Saroop, on the 9th April, 1946.

CLASSIFICATION OF PERSONS CONVICTED IN CONNECTION WITH DISTURBANCES ON MARCH 7, 1946

(a) 163 persons were arrested in connection with the disturbances on the 7th March 1946 of these fourteen only are believed to have had political connections.

(b) The jail authorities treat the under trial prisoners according to the classification ordered by the trial court. So far only 11 of the under trials have been classified as "better class".

(c) Khurshed Ahmed Kazmi is on bail. Jagat Singh although a small darzi by profession has been temporarily classified for "better class treatment". Shive Deo Vashist is a low paid employee in the office of the Mazdur Sewak Sang. He has not been given "better class".

SHORT NOTICE QUESTIONS AND ANSWERS

BROADCASTS IN KANNADA AND MALAYALAM

Shri D. P. Karmarkar : Will the Honourable Member for Information and Arts be pleased to state :

(a) whether Government have considered the question of allotting more time to Kannada and Malayalee broadcasts on the Madras and Bombay Stations of the All-India Radio ; and

(b) if so, what the decision is.

The Honourable Sir Akbar Hydari : As a token of Government's intention to establish Stations for Malayalam and Kannada listeners as soon as possible arrangements are in hand for weekly talks in Kannada and Malayalam for the Madras and/or Bombay stations of All-India Radio.

Shrimati Ammu Swaminadhan : May I ask whether the Honourable Member will arrange for programmes of Malayalam and Kannada every day for a few minutes instead of once a week ?

The Honourable Sir Akbar Hydari : I will consider that.

Prof. N. G. Ranga : Is there any separate broadcasting station in Mysore or Bangalore ; if so, will the Government of India give it any encouragement in order that the same broadcasting station may serve the Kannada area outside Mysore, better ?

The Honourable Sir Akbar Hydari : I am advised that the best station for Malayalam is from Madras and for Kannada it may be from Madras or from Bombay.

Haji Abdus Sattar Haji Ishaq Seth : Is my Honourable friend aware that for Tamil there are two stations, namely Madras and Trichinopoly and that both the stations are completely occupied for Tamil and Telegu with the result that Malayalam gets no chance. Will the Honourable Member order them to give at least a few minutes for Malayalam ?

The Honourable Sir Akbar Hydari : I have already expressed our readiness to help these two languages. I do not think I can at the present moment do anything more than consider the further suggestion made by the Honourable Lady opposite, namely, that instead of an hour once in a week it may be a few minutes every day.

DELHI POLYTECHNIC

Sri Mohan Lal Saksena : Will the Education Secretary be pleased to state :

(a) what progress has been made regarding the recognition of the Diploma and Certificates of the Delhi Polytechnic ;

(b) whether any students of the Delhi Polytechnic had applied for selection for studies in foreign countries ; if so, how many and whether any of them has been selected ;

(c) what other efforts, if any, have been made to secure employment to the students passed from the Delhi Polytechnic ; and

(d) what efforts, if any, have been made to recruit suitable staff for the Delhi Polytechnic and to remove other shortcomings thereon ?

Sir John Sargent : (a) The Chairmen of the five All-India Boards have been personally addressed on the subject of expediting general recognition of the All-India Diplomas and Certificates awarded by them. Satisfactory replies have been received and action is now being taken. A statement giving details of recent developments in regard to each Board of Studies is laid on the table of the House.

(b) It is not possible at such short notice to give the total number of all Polytechnic students who applied for Overseas Scholarships this year. As far however as it has been possible to ascertain, there were among the applicants five students of the Delhi Polytechnic who have taken an All-India Diploma and one who has taken a Delhi Polytechnic Diploma.

The Selection Board have not yet submitted their recommendations.

(c) *Employment and Training of passed students of the Polytechnic Commerce Students*

The following firms have agreed to take students from the Commerce Department in Polytechnic for practical training :

	Number of Students
(1) The Central Bank of India, Delhi	2
(2) S. Vaidyanath Aiyer & Co.	2
(3) Hindustan Co-operative Insurance Society Ltd., New Delhi	2
(4) Simla Banking and Industrial Co., Ltd., Simla	2
(5) Federation of Indian Chambers of Commerce and Industry, New Delhi	2
(6) Comilla Banking Corporation Ltd., Delhi	1
(7) Calcutta National Bank Ltd., Delhi	1
(8) Modi Sugar Mills	3 or 4

Engineering Students

(i) Employment has been secured for three students with the Central Public Works Department at New Delhi and Calcutta and in the Agra Electric Co. Other industrial concerns have been approached and their replies are awaited.

(ii) The Delhi Cloth Mills have taken on four students from the Engineering Department as paid apprentices on Rs. 75 p.m. to begin with, on three month's probation.

(iii) Arrangements have been made with the Central Public Works Department to accept students as unpaid apprentices.

It has to be pointed out that with one or two exceptions no students have yet completed the course which entitles them to receive the Diploma and so to become qualified for employment.

(d) The D. G. of Re-settlement has been asked to recommend any ex-army personnel with suitable technical qualifications for post in the Polytechnic. Advertisements for posts have not yielded many recruits so far and the posts not filled are being advertised again.

Sikar House has been secured for temporary use as a hostel and a second hostel is expected to be secured in the very near future.

Orders have been and are being placed for many of the necessary items of equipment and expect to receive some of these within next two or three months.

Statement giving details of recent developments in regard to Boards of Studies

The following are among the concrete results to date :

(1) Board of Commercial Studies—

- (i) A number of Commercial firms have taken on or agreed to take on Polytechnic students for practical training and appear to be satisfied so far.
- (ii) Exemption from the first part of the Registered Accountants Examination has been granted to diploma students taking certain specific subjects.
- (iii) It is understood that the Accountants General have agreed to recognise the All-India Diploma for the purposes of recruitment and the formal recognition is expected in the very near future.

(2) Textile Studies—

Chairman of the All-India Board of Technical Studies has agreed to have the Polytechnic Textile Department inspected as soon as it is ready. He has been asked to arrange for students to be tried out in mills. He has expressed the opinion that industrialists will accept Polytechnic products in preference to others only where they are satisfied after trying out a few of them.

(3) Engineering Board—

The Bengal Government have recognised diplomas and certificates for employment in certain categories.

Board of Architecture—

An inspection Committee has visited the Delhi Polytechnic. Pending consideration of the Inspection Committee's Report the Chairman of the All-India Board has suggested that the Polytechnic should hold provisional examinations under a local committee. This will be done.

Board of Chemical Engineering Studies—

Sir Padampat Singhanian, Chairman of the Board, is taking up the question of recognition.

Recognition by the Federal Public Service Commission—

The Chairman of F. P. S. C. has suggested that the All-India Diplomas in Engineering should be recognised by the Institution of Engineers as equivalent to ordinary degrees. Leading members of the Institution of Engineers, who have been approached in the matter, are sympathetic and satisfactory results may be expected in the near future. In order to secure general recognition of the diplomas and certificates by Public Service Commissions as well as by Industry and Commerce arrangements are being made to link up the All-India Boards as closely as possible with the All-India Council for Technical Education, which meets at the end of this month.

Shri Mohan Lal Saksena : Is the Honourable Member aware that the students of the Delhi Polytechnic when they applied to the Delhi Cloth Mills were offered only Rs. 75 while students from other Universities with the same qualifications were offered Rs. 150 ?

Sir John Sargent : With regard to these students it must be remembered that they are doing their year of practical training. It is part of the course. I understand that with one exception students of other Technical Institution when undergoing their year of practical training do not receive any remuneration at all.

Shri Mohan Lal Saksena : Is the Honourable Member not aware that because of the want of a University Degree the Delhi Cloth Mills and other mills are not giving the same remuneration to these boys as they are giving to others ?

Sir John Sargent : I did not follow the question. Will the Honourable Member kindly repeat his question ?

Shri Mohan Lal Saksena : Will the Honourable Member say whether the Delhi University is prepared to make arrangements for the recognition of this institute within a short time, if the Government desire ?

Sir John Sargent : As I explained to the House on previous occasions, it is the desire of the Government that the institution should be recognized as the Technological Department of the Delhi University. We have a big scheme which I am glad to say is now developing and at a reasonable stage recognition will be applied for.

Dr. Sir Zia Uddin Ahmad : Under the new scheme of reorganization of education, I would like to know whether the Polytechnic will be a Technical High School corresponding to other High Schools or whether it will be like an Engineering College affiliated to the Delhi University ?

Sir John Sargent : The Technical High School is one part of the organization of the Polytechnic providing technical courses of training for boys of the High School age. But in addition to that there are the senior Departments for students beyond that stage to which the terms of admission in many cases are the same as in Universities.

Shri Mohan Lal Saksena : In order to give a good prospect for the students qualifying from this Polytechnic, will the Honourable Member consider the advisability of applying to the Delhi University for recognizing the Diploma as a Degree ?

Sir John Sargent : I do not think that with the present standard the Delhi University is likely to receive an application favourably at the present moment. But as soon as we begin to implement the big plant seriously, from the conversations I have had with the Vice Chanceller, I think it will be sympathetically considered.

Dr. Sir Zia Uddin Ahmad : Do the Government contemplate to have a Polytechnic such that a part of the institution prepares for the Diploma course and part of the institution prepares for the University Degree ?

Sir John Sargent : At the moment the Polytechnic is providing courses on very similar lines to those possible in Polytechnics in Gt. Britain that is courses based on the Diploma system. In England these are regarded and recognized as equivalent to a Degree. Provision in the Polytechnic will in due course be for recognition by the University.

MOTION FOR ADJOURNMENT

FAILURE OF NEW DELHI POLICE TO EXERCISE VIGILANCE AND TAKE ADEQUATE STEPS TO INVESTIGATE CRIMES

Mr. President : I have received notice of an adjournment Motion for discussing a definite matter of urgent public importance, namely :

“To Censure the Government of India for the failure on the part of the New Delhi Police authorities to exercise adequate vigilance in respect of crimes against property and further failure to take adequate steps to investigate such crimes recently committed”.

I do not see how it is a definite matter at all. And then I do not see how it is a matter of urgency.

Shri D. P. Karmarkar (Bombay Southern Division : Non-Mohammadan Rural): Sir, the area in which these crimes have been committed is near the quarters of the Honourable Members of the House. In a place like New Delhi continuous crimes have been committed by daylight. In one case a lady has been attacked. Yet none of these offences that have occurred in the last six months has been investigated. If these had occurred in an out of the way place that will be a different matter.

But in a metropolis like New Delhi where the inspector lives in the midst of these houses, it goes to the very root of the matter : it is not as if the police are away living at long distances away from these crimes : but if these crimes committed right under the nose of the police are left uninvestigated and neglected there is a possibility that the thieves concerned will take greater courage and bring matters to such a pitch that every member of this House will have to defend himself and to make arrangements for doing so. I will quote one instance—I will not tire the House by reading this long list which I have prepared of the Honourable Home Member as soon as I came here—these are specific instances on specific information.

An attempt was made to commit a theft on the 8th April, 1946, at about 9-15 in the morning in 13, Central Lane; the upper pane of the front door was broken but the timely arrival of the servant prevented the thief from succeeding. He made good his escape.

On 9th afternoon about 3 p.m. a man was seen in the rear court by the lady of the house of 20, Babar Lane. She challenged him about his identity. He hit her with a stone and she received minor injuries. Before she could gather help he made good his escape by throwing another stone at her. To intimidate her further he again turned up from the front door but finding the servant in, he fled away. Next day in the morning another stone was thrown in the court yard. When the police summoned all the servants of the neighbouring houses the lady identified one of them as the culprit but nothing has been done so far.

Mr. President : I want to know as to whether anything very grave or serious has happened immediately, so as to justify such a motion.

Shri D. P. Karmarkar : Yes, the last instance, I have, took place only two days ago and it was published in the press also and it also was not investigated. These cases seem to remain uninvestigated ; and if these things recur in the systematic manner in which they seem to be happening — without making any reflection at all on the police—I say it is worth while inquiring whether these police officers are active at all. It does not look as if they are active and I have got instances of about 20 cases during the last five months.

Mr. President : I think the Honourable Member's case has already been heard by the Honourable Home Member and he will take such steps as may be necessary. In any case this does not seem to me a motion fit to be admitted as an adjournment motion in this House.

Shri D. P. Karmarkar : Do I understand that the Honourable Home Member agrees with the Chair ?

Mr. President : It is for the Honourable Member to inquire and for the Honourable Home Member to make a note.

SUMMARY OF PROCEEDINGS OF EIGHTH MEETING OF STANDING LABOUR COMMITTEE

Mr. S. C. Joshi (Government of India : Nominated Official) Sir, I beg to lay on the table a Summary* of Proceedings of the Eighth Meeting of the Standing Labour Committee held at New Delhi on the 15th and 16th March, 1946.

* Not printed in these Debates. Copies placed in the Library. *Ed of Deb.*

INSURANCE (SECOND AMENDMENT) BILL

The Honourable Dr. Sir M. Azisul Huque (Commerce Member) : Sir, I move :

“ That Mr. L. S. Vaidyanathan be appointed to the Select Committee on the Bill further to amend the Insurance Act, 1938 (*Second Amendment*).

Mr. President : The question is :

“ That Mr. L. S. Vaidyanathan be appointed to the Select Committee on the Bill further to amend the Insurance Act, 1938 (*Second Amendment*).

The motion was adopted.

MESSAGE FROM THE COUNCIL OF STATE

Secretary of the Assembly : Sir, the following message has been received from the Council of State :

“ The Council of State at its meeting held on the 17th April, 1946, agreed without any amendment to the Bill to give Hindu Married Women a right to separate residence and maintenance under certain circumstances, which was passed by the Legislative Assembly at its meeting held on the 2nd April, 1946”.

DEMAND FOR SUPPLEMENTARY GRANT FOR 1946-47—*contd.*

DEMAND No. 66—MISCELLANEOUS—*contd.*

Mr. President : Further discussion of the motion moved by Sir Archibald Rowlands yesterday—

“ That a supplementary sum not exceeding Rs. 4,00,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1947, in respect of ‘Miscellaneous’.”

I have received new notices of three amendments. Of course they cannot now be said to be last minute amendments and they may be moved by the Honourable Members concerned.

Mr. Manu Subedar (Indian Merchants' Chamber and Bureau : Indian Commerce) : May I inquire from the Honourable Leader of the House whether Government have not considered this subject and whether they would not now agree to have this matter postponed in order to enable us to go through the other items of the agenda ?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar (leader of the House) : I shall be making a statement on this motion later.

Mr. President : Let the postponement motions be moved.

Sri M. Ananthasayanam Ayyangar (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : Sir, I move :

“ That the consideration of the motion regarding Demand for Supplementary Grant in respect of ‘Miscellaneous’ be postponed till the next Session of this Assembly.”

My Honourable friend, Mr. Gadgil, was on his legs : if you will give me an opportunity I shall speak after him.

Mr. President : What I would suggest is that this motion be first disposed of and in case it is accepted there is nothing to be talked over ; in case it is rejected, Mr. Gadgil will resume his speech.

Haji Abdus Sattar Haji Ishaq Seth (West coast and Nilgiris : Muhammadan) : What happens to the other amendments ?

Mr. President : In case this amendment is accepted the others fall through. If not, the other amendments will be given a chance of being moved.

Sri M. Ananthasayanam Ayyangar : I have already moved the amendment. This amount of Rs. four crores is intended for payment to the UNRRA. We have already given them eight crores.....

Diwan Chaman Lal (West Punjab : Non-Muhammadan) : On a point of order, Sir, would it not be more convenient to the House that we should discuss the amendments and the Resolution together, because if my Honourable friend's amendment is lost, let us say, even then the arguments that will be advanced by him or by the other speakers in respect of the original motion will not be any different. I submit it will be duplicating the discussion on the subject.

Mr. President : The discussion on this amendment will be restricted only to stating in short the reasons as to why it should be postponed, and not on the merits of the question at all. This is a separate motion.

Diwan Chaman Lal : With due respect, may I make my point ? The arguments for the postponement are relevant to the main resolution also. Whatever arguments we advance now are arguments which, as my Honourable friend on my left in his speech advanced them yesterday so eloquently—namely those arguments and others of a similar nature will apply equally to the amendment as well as to the main resolution. Merely saying " I want to postpone " will not be sufficient : he will have to go over the whole range of the subject and I would submit, if you will consider it, that it would be merely duplicating the discussion and it would be better to take the whole thing together.

Sri M. Ananthasayanam Ayyangar : I also agree that it is not possible for me to restrict myself only to one or two points but I will have to go over the whole course of events and carry the House with me as to why it will not be desirable to have it voted immediately but that it should be postponed till the next Session. My Honourable friends might have said that that motion was not before the House before ; but there is no hard and fast practice on this matter and my Honourable friend Mr. Gadgil also started off by saying that this is a matter fit to be postponed to the next Session and I am only embodying by way of an amendment what has already been suggested and started by my Honourable friends on my right. Therefore I would like that all these amendments may be taken together and the discussion should go on generally.

Mr. President : I do not know anything of the merits—I am not supposed to know it ; but if the discussion is going to be practically the same, then of course I have no objection to the amendments being moved. The other amendments may be moved.

Sir Cowasjee Jehangir (Nominated Non-Official) : May I point out that this is a postponement amendment and usually, so far as I can recollect, when an amendment is moved that this matter be taken to such and such a date, that has to be taken out of the way before any other amendment is moved or the matter is considered on its merits. That is the usual ruling—you must get it out of the way—unless you change it to suit the convenience of Members.

Mr. President : I do not propose to change anything ; but if the argument to be advanced on the main motion are identical to those on the postponement motion, then we shall be wasting the time of the House if we take up only this motion. In the beginning I stated that I would prefer to dispose of this on the assumption that the arguments will be shorter, but I am told by members who wish to discuss this matter that the arguments for both are the same.

Sri M. Ananthasayanam Ayyangar : They will overlap.

Mr. President : They will substantially overlap, and therefore I am taking this course. Then I shall put this amendment before the House and then the other amendments will be moved.

Amendment moved :

" That the consideration of the motion regarding Demand for Supplementary Grant in respect of ' Miscellaneous ' be postponed till the next Session of this Assembly."

Syed Ghulam Bhik Nairang (East Punjab : Muhammadan) : Sir, I move :

" That the demand for a supplementary grant of a sum not exceeding Rs. 4,00,00,000 in respect of ' Miscellaneous ' be reduced to Rs. 2,00,00,000".

Mr. President : Amendment moved :

" That the demand for a supplementary grant of a sum not exceeding Rs. 4,00,00,000 in respect of ' Miscellaneous ' be reduced to Rs. 2,00,00,000."

Sjt. N. V. Gadgil (Bombay Central Division : Non-Muhammadan Rural) : I am not moving my amendment.

Sri M. Ananthasayanam Ayyangar : Mr. Gadgil is in possession of the House. After he has spoken an opportunity may be given to me.

Sjt. N. V. Gadgil : Before I begin my speech on the motion that has been moved. I want to take a few minutes of this House in paying a tribute to the Right Honourable Srinivasa Sastri the news of whose death we read this morning. Mr. Sastri was a member of this Assembly and he was also a member of the Imperial Council before 1921.

Mr. President : I may point out to the Honourable Member that in pursuance of the convention accepted by this House it is not permissible to have obituary notices except in the case of sitting members. The Chair yields to none in its respect for the Right Honourable Srinivasa Sastri. It is enough that the Honourable Member has made a reference and he may immediately come to the subject matter of the motion.

Sri M. Ananthasayanam Ayyangar : May I give you the instance of Mustafa Kemal Pasha. On his death there was a motion. We had nothing to do with him. He was a great man, a leader of a great nation and therefore reference was made. So far as Mr. Sastri is concerned, whether he is a sitting member or not, it is only proper that we should make a reference to his death in this House. I am sure all members of the House will agree to this.

Mr. President : I was referring to a convention.

Sri M. Ananthasayanam Ayyangar : This convention was there and yet reference was made to Kemal Pasha's death. If any exception is taken by any Government Member, that is another matter but having regard to the personality of Mr. Srinivasa Sastri, I am sure all Members of the House will agree to pay their tribute to this revered man who was one of the greatest men.

Mr. President : Without creating a precedent, the Honourable Member can make a reference in as short a time as possible.

Sjt. N. V. Gadgil : I said that I would only take a few minutes of this House in paying tribute to the Right Honourable Srinivasa Sastri. I am quite aware of the rules and I do not want to go against the rules. I will only say that the Right Honourable Srinivasa Sastri was a great statesman, a great patriot, a critic frank but without bitterness, a scholar, deep and brilliant, yet without arrogance, a statesman with vision but without vagueness. In him we lose a man who carried the traditions of his Guru, the Honourable G. K. Gokhale, a tradition of service and sacrifice and when I say that he leaves behind a void which it would be very difficult to fill. I will be only echoing the sentiments of this House.

When the House rose yesterday, I was referring to the possibility that if we reject this grant it might have unfavourable reactions in the United States of America. I read from the speech of Mr. Hendrickson, showing how America is well posted with the situation in this country. The same thing has been said by no less a personality than the great American author, Miss Pearl Buck. She says :

“Even though India does not technically fall under the jurisdiction of the U.N.R.R.A. could she not be serviced by U.N.R.R.A. in view of her desperate need and her generous contributions to the organisation's work.”

She added that the situation may end in the death of from ten million to twenty million lives in the next few months.

We have further proof that America is well aware of the situation in this country. Mr. Herbert Lehman, the recently retired Director General of the U.N.R.R.A. declared last night ;

“Food conditions in India, Burma and Ceylon appeal me.....It is deplorable that Government is still trying 'to get the facts'. They have got the facts—bushels of facts to prove their point—if you need any facts other than faces of starving women and children.”

The Honourable the Commerce Member wanted to make the point that such a reduction will have bad reaction in America. I submit that when the Council passed the Resolution asking for further contribution, the Council knew that there might crop up circumstances and cases in which full contribution might not be paid and

I invite the attention of this House to the memorandum submitted by the Department to the Standing Finance Committee. It says :

"The Council, however recognised that there were cases in which this recommendation might conflict with particular demands arising from the continuance of the war or might be excessively burdensome because of peculiar situations (e.g. famines, cyclones, etc.) and that therefore the amount and character of the further contributions recommended must be subject to such conditions. India is one of such cases because of its low *per capita* income and also because it is faced with an acute food crisis".

What we are urging today is not something which was not contemplated but something which has been expressly provided for. This line of argument was accepted by the Standing Finance Committee and a recommendation was recorded which was read out to the House yesterday. In view of the poverty of this country which is such a patent fact known to every living creature under the Sun, if India does not pay these four crores, I am sure that this refusal is not likely to be misunderstood. To pay because payment means some international status, some doubtful advantage, is not the consideration that ought to weigh with us in the present peculiar circumstances. If things improve in the next three or four months, as the amendment of my Honourable friend Mr. Ayyangar suggests, nothing can prevent us from reviewing the situation. Not only we may contribute these four crores but if our funds permit we may contribute more but today if we were to contribute even the two crores as suggested by the amendment of my old friend Mr. Nairang, we will be doing injustice to our own people, especially those who are next door to Heaven. This international business has been a great obsession with us. Unless one is a good nationalist, one cannot be a good internationalist.

Charity must begin at home. As I said yesterday, we do appreciate the ideology and the principles that are behind this great international organisation, but at the same time, let me point out what does this organisation really mean. Is it a tribute to western culture? What has the west contributed towards the solution of this world problem of peace? Atom bombs. We have contributed something higher, nobler and constructive. The west has contributed U-boats, we have contributed the Upanishads. The west stands for death and diversity, India stands for life and unity. Therefore to say that India has not been doing anything in the international field is wrong, it is wide of the mark. We have contributed more spiritually and culturally than any other country in the course of the last many centuries. To be associated with such an international organisation is good to a certain limit but if we are asked continually to pay for this, that and the other, it means a great luxury beyond our financial means and therefore we must cry halt. Famine now is not a mere uneasy contingency. It is a cruel fact today. It is not a spectre, it has arrived. In many parts of the country, as I stated a few weeks ago parents are abandoning children. Destitutes are dying in the streets of Calcutta. That only indicates how things are going to develop. If circumstances of this character subsist, may I know will it be prudence to part with four crores from our finances which are not as happy as they ought to be. I submit, Sir, that the House will be perfectly justified in rejecting this Demand.

Now, Sir, how have this Government handled the situation in 1943? It is possible that they may repeat those very mistakes again. It is said in law that every dog has immunity for its first bite but if it is done a second time, the law of tort is that worse consequences await the door. I may explain and apply that doctrine to the Government. Government consists of human beings although occasionally they do not act consistently with that character. They are perfectly entitled to commit mistakes here and there, but if they commit the same mistake twice, they are not entitled to remain a moment over there. I submit this Government has very badly handled the situation and I am afraid that this Government is not looking upon experience as a guide. It seems to discard it. It seems to have a different political philosophy, it thinks blindness to be light, indifference to be wisdom and inertia to be action. I submit, Sir, such a Government is not competent to remain and before this Government leaves, let it not do such things as will add more difficulties to its successors. Sir, the Government which in utter disregard of the needs of the nation hankers after international status, is an enemy of the people

[Sjt. N. V. Gadgil]

A Finance Member who instead of catering to the needs of the people of the country spends finances on things of doubtful utility is hardly a financial genius, if genius at all. Legislators know that the country is in the throes of a famine. It is like an eclipse, *Rahu* grasping the sun and moon, both, because famine and death make no distinction between Hindus and Muslims, or even between man and man.

Sir, in this situation I submit that some thing more than considerations of expediency or party advantage should weigh with us. A sum of two crores is not a small sum compared with our appalling poverty, compared with our pressing needs and even compared with our unhappy financial position as disclosed in the budget. Sir, as I said, famine is already on. The country is fighting on one front and the second front, namely, civil war, is assiduously fomented. Knives and *lathis* are at a premium now. We do not know what is in store for us. It is time that every earnest man and the Government of the day act well and wisely and not make the country fight on two fronts the result of which nobody can foresee. It is not given to man to look much ahead, and therefore we must act in the living present, forgetting the past, howsoever bitter and bungled it may be. Let us therefore reserve every ounce of our energy, every copper of our currency, and every grain from our granary we can get hold of for the teeming millions who look up to us. We are to disperse today. This is the last day of the Session. We do not know when we shall meet again.

“ When we three shall meet again
In thunder, lightning or in rain,
When every hurly-burly is done
Lives' battle is lost or won.”

These are very critical times. I want to repeat that this Government by its action should not subject the country to fight on two fronts. I say this in all seriousness and I hope and pray that the best in us, the wisest in us, the most practical in us will awake, assert and achieve so that when we meet again we shall meet as free men and women.

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar : Sir, I have heard the speeches of Honourable Members about this Resolution and if I intervene now, it is still in the hope that the proposition that has been placed before this House by Government will be understood in its proper perspective and that misunderstandings and suspicions that have been expressed so freely by some of the Honourable Members may be removed even at this late stage. I want to assure Honourable Members at the very outset that this proposition has been placed by the Government for their consideration not with a view to secure any pyrrhic victory over the opposition, that certainly is not the motive and has never been dreamt of, not with a view as it was alleged to give Honourable Members opposite a taste of defeat in the division lobby. That certainly is not our motive but because I personally and most of my Honourable colleagues are convinced that this is an issue on which the House should express itself as far as possible unanimously and in the way that Government wants the House to express itself in the best interests of the country.

Sir, before I explain the proposition as I see it, I should like to give the history of how this request for a further grant has been made by UNRRA on the member States. It is perfectly true that at the first occasion the UNRRA thought that a certain amount would be sufficient, and on the basis of that estimate the member States who were members of this Administration were requested to make contributions, generally of one per cent of their national income, and in any case, taking into view the considerations that were advanced by some of the representatives and notably by the representative of the Indian Government, whatever was possible for any State Government to contribute to this most desirable purpose. It was on that understanding that the estimates were made and on the last occasion when Government presented this proposition to the House Government came to the conclusion that the one per cent request that was made by the UNRRA was too heavy a burden on this country, that it would involve about 40 crores to be contributed, that in the economic condition of this country that was not possible, and therefore Government placed a proposition that eight crores was the amount that could be contri-

buted and this House agreed to that contribution. I shall later refer to the proviso which was added to that Resolution at the instance of some of my colleagues and how that proviso does not arise on the present occasion.

Now, Sir, it was the hope of every one, including those who met at Atlantic City to consider the amount that was required, that the amount would be sufficient; but unfortunately conditions in Europe and in the far east disproved that assumption. And in August last year when UNRRA met again, when this Council of 41 nations met again, they found that they had to continue this relief for sometime longer, and further funds were necessary. In August last year, therefore, they adopted a Resolution that a further one per cent should be requested from every State which had adhered to this organisation, and the appeal went forth from the organisation, the Resolution having been adopted by the majority that was required, that a further one per cent should be paid by each of the State Governments who were parties to this Administration. Several of these Governments paid that one per cent and several of them have promised it.

Mr. Manu Subedar : Is it not a fact that only seven States have given the second subscription? There were 24 States who contributed the first subscription who have not yet given the second subscription; and India is being pulled officially among those who are in a hurry to pay.

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar : If the Honourable Member will ask me a question I will furnish the information myself. It is not seven States; it is much more than seven.

Mr. Manu Subedar : I have got a definite press statement to the effect that out of a total of 47 States which were members 31 made the first contribution and seven alone have paid the second contribution. May I read it with your permission, Sir?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar : What is the date of that?

Mr. Manu Subedar : It is the 3rd April. It runs thus :

“UNRRA headquarters have announced that contributions pledged to UNRRA by its 47 member nations as on February 28 this year totalled nearly 3,660 million dollars of which approximately 300 million or 80 per cent had been paid or made available. Thirty of the 31 non-invaded member-governments of UNRRA have paid or pledged payments on their first contribution. Seven of these countries—Australia, Canada, the Dominican Republic, Iceland, New Zealand, United Kingdom and the United States—have also made or pledged their second contributions. Every one of UNRRA's member governments whose territory was invaded by the enemy has paid its administrative contributions in full. In addition it was announced during the month that Denmark was planning to make a contribution of 10,000 horses and approximately one million dollars worth of fish, and Yugoslavia has offered as a gift 2,000 tons of cement which will be delivered immediately to Albania.”

In other words, the second contribution which this country is called upon to make in addition to the eight crores which we gave last year is one which only seven out of 31 members have made; and we feel that we ought not to be in a hurry to fix up this issue this year at all events until the four months of famine before us have gone.

Mr. Abdur Rahman Siddiqi (Calcutta and Suburbs : Muhammadan Urban) : Sir, I rise to a point of order, and seek your guidance again. The second speech that the Honourable Member made was neither a point of order nor allowed by any other rule of debate. This sort of interference and interruption is not I think allowed by the rules of debate.

Mr. President : It is not allowed by the rules or by the Chair.

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar : Sir, I was referring to the second Resolution adopted at Atlantic City by the United Nations whereby they requested a second one per cent contribution from all the member States. But some caution or proviso was adopted then and that is that if member States were not in a position to make the one per cent contribution they could make whatever contribution they can. The position was carried a stage further and this is what I should like Honourable Members to understand. I do not know whether these facts have been put before the Standing Finance Committee. At the time when the General Assembly of the United Nations Organisation met a Resolution

[Dewan Bahadur Sir A. Ramaswami Mudaliar]

was moved by the United Kingdom delegation that in pursuance of the Resolution that was adopted at Atlantic City by the United Nations Relief and Rehabilitation Conference a special appeal should be made to all those States which had not yet made a further second instalment contribution and to other States which had not yet joined the UNRRA that in view of the excessively severe conditions that were prevailing both in the east and in the west in countries which have been liberated from the enemies this contribution was urgently required.

When this Resolution was taken up the American delegates intervened and wanted to make it more precise and practical. A representative of the United States at the General Assembly was Congressman Mr. Sol Bloom, a gentleman over 75 years old. He had a special interest and a special right to intervene in this discussion because Mr. Sol Bloom was the originator of the idea in 1943 itself of having this United Nations Relief and Rehabilitation. He had drawn on his experience of the last war; he had been associated with Mr. Hoover in that relief and rehabilitation at that time; he had seen how at that time large amounts were given as loans for this purpose, and therefore he felt that conditions were not merely similar to those that existed at the end of the last war but conditions were far more acute, far more difficult, far worse from the humanitarian point of view in the years at the end of this devastating war. And he was one of those who fore saw at that very early stage that this contribution was necessary. By his persuasiveness, by his most moving speeches in the Congress of the United States he was able to get every Government to subscribe, as my Honourable colleague the Commerce Member said, as the first instalment at that time 375 million pounds; and he was able to get a second instalment after the August Resolution of the same amount of 375 million pounds promised. And I believe the whole of that has been paid by the American administration. Mr. Sol Bloom both in the Committee of the General Assembly and at the General Assembly plenary session itself made a very strenuous appeal to all nations to contribute what they could towards this purpose, and went further and suggested that every State should make as much contribution as it was able to make, and a Committee of State Governments composed of eleven State Governments should be appointed and that these Governments should meet as early as possible to devise ways and means by which this matter can be brought to the notice of those Governments which had not made the second contribution to make what they considered was proper from their economic resources for the relief of those people. That Resolution was adopted and as a result of that a Committee of eleven State Governments was appointed by the General Assembly. India was not one of those State Governments that went into that Committee. And for this simple reason that India was not in a position to commit itself to a grant of the second instalment, that it knew that it had to consult its legislature as far as possible, and the Indian delegate kept a discreet silence over the whole issue though almost every other delegate got up at the time and said on behalf of their Governments that they would ask their Governments to do what they can by way of a second instalment. This Committee of 11 State Governments met in London on the 8th of April this month and I expect very shortly appeals, and most urgent appeals, will be made to every state Government that has not made the second instalment and to such State Governments as have not come into the picture at all. I may say out of those Governments which were invited there are very few indeed which have not come into the picture and paid their first instalment. I believe, Saudi Arabia is only one of the Middle East countries which has not come in and, I believe, Saudi Arabia delegation said at the Conference that they were prepared to come in and make their contribution. That is the position which has arisen today and this appeal is going to come to this Government. In accordance with the usual practice of placing such demands before the Legislature and getting its acceptance, the Government of India had also said at the next conference, which was held in Atlantic City about the middle of March that this proposition will be placed before its Legislature which is now in Session and the opinion of the Legislature will be obtained. Sir Girja Shankar Bajpai, who appeared on behalf of India as a delegate at this conference, made this statement in view of the fact that again an appeal was made at this conference that the proposition will be placed before the Legislature which is now in Session and its verdict taken. That, Sir, is the historical setting.

Now, let me speak about the merits of this proposition itself. A great deal has been said about famine conditions. I trust that this House will give me the credit at least of feeling as acutely as anybody else in this House on the question of famine for more than one reason : first, because in common with other Members we had the horrible experience of the Bengal famine : second, because it is my home lands, if I might say so, which are now threatened with famine I have felt it week after week this situation which is arising in Mysore, in Madras, in parts of Bombay, and I know how grave the situation is and I hope and I am certain that every Member in this Assembly at least whatever province he comes from, will realize the acuteness of the situation in Southern India, that distance will not make any difference, that the fact that people of Southern India rarely come in contact with people of other parts of the country will make no difference at all and that sacrifices of every kind will be made within this country and that every Member of this House will use all the weight and influence that he can to see that those sacrifices are made and we do everything possible to avoid that famine. I echo the sentiments of my Honourable friend who said that we cannot possibly face another situation such as we faced—we were taken unaware, both the people and the Government—at the last Bengal famine. It is because of that anxiety of mine that I come with all the more earnestness before this House to plead that matters like this should be discussed on their merits.

No, Sir, let me say this : Has the famine situation any direct bearing so far as our loss of assets which will be released as a contribution ? There is a great deal of attempt made that somehow or other if we make this contribution we will be depriving ourselves and we will be depriving people in the famine stricken areas of things that they should require and that therefore the Government is guilty of taking away from the poor starving millions something so that they may help starving millions elsewhere. Even from the speech of my Honourable friend who has just sat down I saw that suggestion made indirectly. I want to assure any Honourable Member who has got any misunderstanding on this subject, if an assurance is really required and if there is any Honourable Member who is suffering from that misunderstanding, that nothing that we shall give away by way of these two crores will in any way prejudice seriously or otherwise the famine situation in any part of the country. What is it that we are giving away if we do agree to four crores, or, I shall come later to the suggestion, the two crores which my Honourable friends on the other side have made ?

Shri Mohan Lal Saksena (Lucknow Division : Non-Muhammadan Rural) : Postpone it.

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar : What is it that we are giving away, Sir ? The things that we are going to give away are those things which will not directly or indirectly affect the famine situation—articles like gunny bags, which are required for the purpose of carrying the foodstuffs from elsewhere which UNRRA has got to send to places where they are required. By having more gunny bags in your country, you are not going to help the famine situation, and the gunny bags which are going to be spared and the hessian that is going to be spared will be that which the country is in a position to export and not any which we require.

Mr. M. Asaf Ali (Delhi General) : We will sell it.

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar : Let me go a stage further. I know I am treading now on a very delicate matter on which I am not naturally and normally qualified to speak. These exports will go on in any case. There will be a certain amount of exports of gunny bags, of hessian, of Burlop. Nobody suggests that there will be an embargo placed on the export of these things because the industry will suffer, the jute growers will suffer if there is such an embargo. Therefore, it comes to this : Are you going to export for value received or are you going to export without value being received ? Because in the case of an export for the purposes of UNRRA it is for value not received, in the other case it is for value received. If you are going to export for value received—I trust my Honourable friend Mr. Manu Subedar, who is an expert in these matters, will pay particular attention to this—does it not merely mean that in the books of the Bank of England

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two more million pounds sterling is credited to us, and that in case if you export without value being received that entry does not find a place in the books of the Bank of England? Let us really

Mr. Manu Subedar : Will my Honourable friend give me a minute to explain?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar : Let us see the practical side of this question instead of being carried away by mere sentiments or emotions.

Mr. Manu Subedar : What about dollars which you get from the United States of America if you sell these articles to that country?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar : We will get the dollars, but it is not going to be America alone to whom we are going to sell it; sterling countries are there also. And, therefore, I venture to suggest that it is not really to going to be such a terrible sacrifice as it is made out.

Shri Mohan Lal Saksena : Nothing is terrible.

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar : And in any case it has no direct bearing on the famine situation or how the famine situation is going to be affected by making this contribution.

Now, Sir, let me put another point before the House and that raises the whole question of how UNRRA is with reference to ourselves and with reference to the demand that we made. There has been a suggestion that UNRRA is a rival to us and UNRRA somehow or other is going to deny to us what we hope to receive from the allotments so far made. I am glad to find that within the last few days responsible officials of UNRRA, the very heads of the Organisation—the present head of the Organisation, Mayor La Guardia and the previous head of the Organisation, Mr. Herbert Lehman—have in clear, categorical and unmistakable terms denied any such suggestion. On the other hand this House should be glad, should be gratified, should be grateful that both these gentlemen of such high eminence in American public opinion have come forward to support the demands of India and other countries. They have by no manner of means, by no suggestion direct or indirect, stood in the way of our getting those supplies. I should like to complete the picture by stating this: There have been suggestions that when we went to Washington we found ourselves against UNRRA's requirements, that there was a certain amount of competition and rivalry. Well, that is bound to exist in this sense. An official of UNRRA's executive comes before the Combined Food Board. He is to plead for his case, that is to say for the amount required to carry out their responsibility in the areas in which they have made themselves responsible. We plead for our case. In that sense there may be rivalry, but no suggestion was made even by that official—and it was a lower rank official—that what he required should be at the expense of India or any other country. In that sense there has been rivalry between us and Ceylon, between us and some other countries which wanted this relief—France, for instance, or Belgium. As a matter of fact the case for Belgium was struck out by the combined Food board and what was intended for Belgium has been diverted for us. It does not mean that we suggest that some people must starve while others may live. Each of us put forward our case in the best manner possible and after valuation of these cases the Combined Food Board comes to a decision.

1 P.M. Where we cannot come to an agreement ourselves, the Combined Food Board comes to a decision. Therefore, let us keep out of the picture altogether, the notion that there is some serious rivalry between ourselves and UNRRA.

Let me take another point. I was somewhat surprised to hear from my friend this morning, Mr. Gadgil, that he did not care for all these international organisations and that we were playing with this organisation.

Sjt. N. V. Gadgil : Beyond a certain limit.

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar : I am glad that a proviso has been adopted. I do feel that the time has come—whatever part we may have been playing in the past and that part may not be as good as we might have played, whatever that may be—and I say it with sincere conviction that we must play our part in most of these international organizations, that it will be to our benefit if we play that part, that we cannot isolate ourselves from the world as it is today, that we will be dragged in whether we like it or not, and let us play our part honourably and decently and in keeping with the dignity of this country and the prestige of a great nation. Others will come, I understand, who will play their part even better than any one of us has been able to, but let there be no mistake that the time has come when India has to play its part in all these international organizations and that the world is willing to wait for India to play her part, and that part will be no mean part at all.

Now, Sir, the contribution that we have to make, it has been suggested may be postponed. My friend, Mr. Ayyangar, has suggested that it might be postponed. My friend, Mr. Gadgil on the other hand suggested that at present it is not necessary at all to consider this payment. Later if we find it necessary we might think of it.

There is a difference between these two attitudes because the first implies that there is a recognition of our duty to make this contribution. The second implies that at present that duty is not recognised, but that in some future time that duty may come to be recognised, or that obligation may arise. I want to say that here and now the obligation has arisen, that we have to make up our minds and that we should do what we can towards fulfilling that obligation.

Let me incidentally refer to the Standing Finance Committee and to the unanimous decision of the Standing Finance Committee. It has been suggested that like the laws of the Medes and Persians, like the Draconian Code, the decision of the Standing Finance Committee must stand and it will be the unholy hands of anyone who tries to change that decision. I venture to suggest that if facts are put before the House, no decisions previously arrived at, except within the terms of the Standing Orders, should be beyond reconsideration by Members of this House, and I venture to think that I have placed those facts before the House which require reconsideration of this matter, and that merely for the sake of sticking to that decision there ought not to be any gentleman who can say "I have voted one way before the Standing Finance Committee and I do not see how I can vote in another way". A great statesman, a great leader, the greatest leader of the opposition that this House in its reform days has ever had—my friend Mr. Chaman Lall will realize whom I am referring to—once said that consistency is a virtue of an animal for which we have very little respect.

Diwan Chaman Lall : Great respect, I assure you ! Looking in front of me !

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar : I trust that this Standing Finance Committee by having voted one way or a member of the Committee having voted in favour of a certain proposition cannot for one moment say that he cannot reconsider that vote and vote in a way in which.....

Sjt. N. V. Gadgil : Where is the justifiable consideration ?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar :the circumstances require he should vote. I do not see how it can stand as an excuse or reason for sticking to that decision.

I said the reason for reconsidering the matter is this. This is an urgent matter. We go before the Combined Food Board. We go before the United Nations. We say our people are going to starve and we want so much of this food. This is an urgent matter : the next 75 days are important : the next 90 days are urgent : if relief does not come within those days, there is no use of sending relief later. Does not the same argument apply to that which the UNRRA is trying to do, that if they do not have these reserve allocations at their disposal within the next few days the situation will be so critical that relief next year will be no good. A timely grant, a grant made when it is required most when the relief organisation wants to spend it here and now,

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that is the thing that is required. 'And, Sir, may I add that the resolution which was adopted by the General Assembly was this that the UNRRA should be wound up so far as Europe is concerned by the 31st December, 1946, and so far as the Far East is concerned by the 1st April, 1947. The relief is required before the 31st December, 1946, for Europe, and before the 1st April, 1947, for other countries, and the sooner that relief comes, the sooner that amount is placed at their disposal, the sooner they can get what they want—cement from one, tea from another, administrative expenses for carrying out the administration of UNRRA in some other country; these are what are required apart from actual food, from wheat, barley and rice. Either we give them or we do not. Either we give them in time or our gift has practically no value and that would be my answer to those who have suggested that it should be adjourned. I prefer even an adjournment of the question to completely turning it down because that would be the most unfair thing that this House can do in the light of these circumstances. But I prefer far more than that that we may give even two crores. That we should give now and we might further consider the matter later, and as I have tried to assure the House on the only argument that it has been based on that somehow or other our famine conditions will be worse affected, by no stretch of imagination can those conditions be worse affected by making this gift. I venture to hope that this House which wants to play its part in all these matters and the administrations which want to play their part in international affairs will take seriously into consideration the real reason why this demand is put before the House and take that view which is in the best interests of the country and in the largest interests of the country and will be to the advantage and the prestige of the country as a whole. I do venture again to urge on all my friends on all sides of the House that I would not have taken up this question so seriously myself were I not convinced absolutely that our attitude in this matter would be a very great factor when anybody goes to an international organisation to plead for relief to us in any manner. The world is one, the people who are affected in one part have that reacted in other parts. We cannot isolate ourselves in these matters. We want a great deal of the sympathy and the consideration of other parts of the world and today we are in that position that we want that consideration. If we want that consideration from other parts of the world, shall we not equally be responsive in giving the same consideration in matters in which we can give and to the extent that we can give to others who are similarly situated ?

Sir, four crores may be too much. If two crores is what the House thinks it can give now, and I venture to state perfectly frankly that it can do that, the Government will not stand in the way. They will accept the decision of the House and tell the administration that this is what we can give. Perhaps others who will come after us, or the same House in another mood later may increase it. That is another matter. But I want from this House, whatever the decision may be,—and I hope the speakers who follow me will make that quite clear—an assurance that they are in sympathy with the objects for which the UNRRA stands and that by no way will they put a doubt on that issue : nor will they by any argument put a doubt on the issue that we do not feel for those people as others are feeling for them because if we want others to feel for us we must also extend our sympathies to others and because there has been some doubt cast on that that I venture to make that further appeal that anyone who follows me will make it quite clear that the same feeling to which my friend, Mr. Ayyangar in another connection so eloquently gave expression to,—feelings of common humanity, feelings of brotherly regard of others—would be given. Charity begins at home but it is a very trite saying to say that it should not end there and when we are so much in danger some of us have been suggesting that charity should begin at home and should also end at home. I trust that the note will be that while charity must begin at home, while the Government of India must take every care to see that its own people are properly provided for if there is anything that can be given to others who are in similar circumstances or perhaps in a worse plight no Government should stand in the way of doing that and the legislature should give that authority to the Government to do what it can to relieve other people, provided it is satisfied, provided the Government is satisfied that relief will be forthcoming. And in the hope that at least two crores of rupees in the terms in which

I have pointed out in regard to the commodities that I have made reference to we can easily pay, I venture to commend this whole proposition to the attention and to the support of this House.

Diwan Chaman Lal: Mr. President, I must congratulate my Honourable friend, the Leader of the House on his performance and on having made a brilliant speech on a subject which is very near to his heart. Not only was it a brilliant performance but I venture to say and I hope he will not misunderstand me, when I say it—it was worthy of a better occasion, a more distant occasion perhaps, a speech which would have convinced other countries assembled at a meeting of the UNRRA probably in America, those countries which had so far not participated in the payments that other countries have contributed to this organisation and other countries which so far have not provided the second instalment. I have no doubt that his eloquence would have carried them off their feet, as it has certainly carried his colleagues over there off their feet but I am afraid my Honourable friend has completely misjudged the entire situation arising from the amendment tabled by my Honourable friend Mr. Ayyangar. What is it that he wants? He wants an assurance that we are not going to turn down a proposition of this nature. He has had the assurance. None of us is willing to turn down the proposition that if there is a country which needs the assistance of India in its dire need, India will stand by it. My Honourable friend talked about charity beginning at home. Charity as far as India is concerned has begun not at home but in other countries. My Honourable friend knows that we have at least 1,700 million pounds lying in sterling balances with Great Britain. That was not charity beginning at home. We are a most charitable nation. We feel for the distress of other countries. We feel for those countries as much as anybody else in this world, because we know that we are an impoverished country ourselves subject to all kinds of sufferings which are imposed upon us not only by the system of Government but by the economic structure and the calamities of nature and therefore it is but meet and natural that we should also feel for those other countries suffering equally as we have been suffering. But that is not the question. The question really at the present moment is: Is there any urgency for this particular grant to be brought before us practically on the last two days of this session? Is there any urgency for us to make this grant? Is there any necessity that this grant should be demanded of us? Or has any danger been pointed out to us that if this grant is not given there would be irreparable damage done to the international situation or to any country that wants assistance from the UNRRA? I submit that my Honourable friend has not met that proposition nor has he met that situation. We are not refusing this grant. We have no intention of refusing this grant. All that we say is this: This is not the time to come before this House and demand a single penny today when we ourselves are faced with a famine which may destroy the lives of 15 million people. It is hardly proper on the part of any man to suggest that this is an opportune moment for this purpose. This is the very moment, if my Honourable friend would look into the situation carefully, when instead of our paying out to any other organisation, we should be demanding assistance of the UNRRA for our own particular needs? Is that not correct?

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

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Mr. G. V. Mavalankar) in the Chair.

Diwan Chaman Lal: Sir, I am sorry my Honourable friend who made such an eloquent speech on this question is not here in order to enable me to deal with his arguments. But he has passed the baby on to his colleagues on the Treasury Benches and they will no doubt in due course deal with my arguments when replying to me. One of the arguments used by my Honourable friend was that we should not disturb the amity of nations, that we should take the view from an international point and certainly not take up the attitude that in such international matters of relief and rehabilitation of devastated areas or of areas where people are suffering India has no part. My Honourable friend should know

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that that argument cannot be addressed to us. We have already, by virtue of the action taken by the Government of India after the passing of the resolution on the floor of this House on the 5th April, 1944, exercised our discretion and given as much as was demanded of us, namely a sum of eight crores to this UNRRA organization. Today let it not be said that we are trying to refuse this grant. We are doing nothing of the kind. What we are doing is merely this: we are asking our Honourable friend over there to postpone the making of this grant during this critical period that faces us in the next few months. It is possible to argue that the needs and requirements of UNRRA may be of such an urgent nature that this paltry sum of four crores of rupees is absolutely essential. It is possible to argue that. But it is certainly not possible to convince anybody that this big organization in which seven countries have either already paid or have promised to pay their second contribution, is dependent upon a paltry sum of Rupees four crores being paid from our exchequer, and that they cannot wait for a period of four months, particularly as the needs are to be met towards the end of this year or in the beginning of next year. Why is it that I am asking my friend to take a larger view, a view of his own country and of his own countrymen, and to keep the needs of his own country and his own countrymen in the forefront rather than make a gesture, for it is merely a gesture, and ask this House to give him the money now instead of waiting for a few months? Why is it I am saying that? I am saying it for this reason that the next period of a few months is going to be a period of great disaster for us unless everything is done to avoid that disaster. The next period for us is fateful according to the Director of the UNRRA, Mr. Hendrickson, himself who said the other day:

“Today the situation in India is even more tragic. Unless India can obtain four million tons of cereals which she must have, from five to fifteen million people will lose their lives in the months lying ahead. It is a mathematical certainty that without grains from the Western Hemisphere more people will perish in 1946 than died in the Bengal famine.”

Why can we not wait to utilise every inch of shipping to send out the goods in exchange for food and other commodities that are needed in this dire situation? Why should we be asked to utilise shipping space for a free gift made to the UNRRA at this juncture? Why cannot my Honourable friend wait for a few months? I get no reply from my Honourable friend. No argument has been advanced by my Honourable friend in refutation of the arguments advanced from this side of the House regarding the necessity of waiting for a period of few months. Let this matter come up a few months hence. What is my Honourable friend going to lose by that? I take it that my Honourable friend and his colleagues have made no commitment whatsoever in regard to this particular payment. I am glad to find that my Honourable friend the Commerce Member agrees with me that no commitments have been made. Then why this particular hurry?

My Honourable friend referred to the proceedings of the Standing Finance Committee. He knows perfectly well that in the Standing Finance Committee there was an unanimous verdict, and it is to be found in the proceedings of the Committee. It is to the effect that this grant should not be made at the present juncture. In the Standing Finance Committee we considered not only the question of this grant but we equally considered the financial situation of the country, and the needs of the country at the present juncture, and we came to the final conclusion after a full consideration of the matter, with my Honourable friend the Finance Member in the chair . . .

The Honourable Sir Archibald Rowlands (Finance Member): I was not a party to that recommendation. I will explain that.

Diwan Chaman Lall: My memory does not fail me in these matters.

The Honourable Sir Archibald Rowlands: I have got a full note of what happened at that time.

Diwan Chaman Lall: So have I got my note of what took place.

The Honourable Sir Archibald Rowlands: The note was taken by the Secretary. I will explain that.

Diwan Chaman Lall: I daresay my Honourable friend will give an explanation. But let me give my explanation. He will have his time. Let him bide his time. The Committee recommended that the additional grant asked for should not be made in view of the present state of India's finances and the nature of her shortage of essential supplies. Do I take it that my Honourable friend was not in agreement with this? The reason was not only shortage of supplies but the present condition of India's finances. This particular report of the Standing Finance Committee was circulated to Members of the Committee with the request that if they did not agree with the precision with which the report was taken down they had an opportunity to amend it. I do not find in the proceedings circulated that my Honourable friend the Finance Member objected to it. My own note taken at that very moment says that we objected, and we objected very strongly to this grant.

The Honourable Sir Archibald Rowlands: That was the view of you and your colleagues.

Diwan Chaman Lall: It was the view of every member there, Sir. I assert that if my Honourable friend had any other views he would not have abstained from stating his views. He had the other opportunity to correct that statement. If it was not done, what the note sent out by my Honourable friend's own Department said, will be taken as correct.

The Honourable Sir Archibald Rowlands: My function as Chairman of that Committee is not necessarily to associate myself with the view of the Members. I will explain that later.

Diwan Chaman Lall: I see. That may be my friend's reading of the membership of the Standing Finance Committee.

The Honourable Sir Archibald Rowlands: As Chairman.

Diwan Chaman Lall: I do not know whether it is membership of the Standing Finance Committee, pure and simple, or whether it is in the capacity of Chairman.

The Honourable Sir Archibald Rowlands: Pure and simple.

Diwan Chaman Lall: And simple, considering the views that have been expressed by him today.

Mr. President: Order, order. That issue is really immaterial.

Diwan Chaman Lall: I entirely agree with you, Sir, that it is quite immaterial. I referred to it because my Honourable friend the Leader of the House talked of the laws of the Medes and the Persians. These were written on stone or on iron. But unfortunately the laws of these Welshmen and Madrasis are written not on stone but in wind and water.

Sri M. Ananthasayanam Ayyangar: Why do you accuse all Madrasis?

Mr. President: Let us go on with the discussion.

Diwan Chaman Lall: My Honourable friend will realize that this matter was discussed at length in the Standing Finance Committee and we turned it down. Why did we turn it down? We turned it down because we were fully aware of the situation in the country, because each member had his responsibility to his own country and having discussed it, made up his own mind. The Committee itself came to the conclusion that this was not an opportune moment to make this particular grant. That is the situation that faces us today. I can object to this grant on technical grounds.

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I can object to this grant on several grounds. You will notice that in the note that was prepared for the Standing Finance Committee it was stated:

"The Council however recognised—(that is, the Council of the UNRRA which met in August 1945)—that there were cases in which this recommendation might conflict with particular demands arising from the continuance of war or might be excessively burdensome because of peculiar situations, e.g., famine, cyclones, etc., and that therefore the amount and character of further contributions recommended must be subject to such conditions."

The Council itself has recognised this particular fact, that if there are certain conditions, namely, of famine or of cyclone or economic conditions of any nature which are adverse to that country, then these conditions may be taken into consideration to discover not only the amount but the character of the grant that has to be given. I now lay emphasis on the word 'character', because we are not refusing the grant of two crores, we are not even refusing the grant of four crores; but we say, subject to the character of the grant. The character of the grant must be, not now, no grant now, wait for four months; come to us after this dreadful period of famine is over and we have dealt with it in a proper manner. That was the position. But I go a step further. Not only that, but I am in a position, in view of this, to demand from the UNRRA relief, instead of paying money to the UNRRA now; in the situation that faces India now it is up to the UNRRA to bring us relief.

My Honourable friend who has tabled this particular amendment, Syed Ghulam Bhik Nairang, who has asked this House to give the UNRRA a sum of Rs. two crores, tabled an amendment on the last occasion on the 5th April, 1944. What was that amendment? It is very relevant to this particular issue, the issue that I have just now raised demanding relief from the UNRRA rather than making a payment to the UNRRA. It was in pursuance of an amendment which was moved in the House of Representatives and in the Senate in America on the 25th January. In expressing its approval of the joint resolution—it is the recommendation of the Congress, (the House of Representatives and the Senate) the amendment said that in so far as funds and facilities permit, any area important to military operations of the United Nations which is stricken by famine or disease may be included in the benefits to be made available by the UNRRA. That was the amendment. The words are 'may be'; but those words were altered here in our Assembly when the resolution came up and was tabled by my Honourable friend the Commerce Member: it was altered by my Honourable friend Syed Ghulam Bhik Nairang into "should be". Not only that we may be in a position to get this relief, but that we should be entitled to this relief; and the example of Bengal was given by my Honourable friend at that time. My friend, the Deputy Leader of the Muslim League Party, speaking on this particular amendment on that occasion said, "When my Honourable friend the Commerce Member asked whether it will be consistent with our status in the international world to pass this particular amendment demanding relief from the UNRRA" my Honourable friend the Deputy Leader of the Muslim League Party said, "Yes, absolutely." The Commerce Member said that we should not plead for a particular case of charity abroad.....and the Nawabzada said "We are not pleading for charity; we are demanding it as a matter of right". My Honourable friend the Commerce Member completed his sentence by adding, "apart from the general enunciation of the principle" and the Nawabzada said "It is a definite recommendation, namely, that we should be entitled as a matter of right to demand relief from the UNRRA in these circumstances," and he quite rightly cited the example of Bengal and in citing the example of Bengal, he said no country under occupation had suffered as Bengal had suffered, where three million people had died of starvation. We are faced with a bigger disaster than that today, when, even according to the estimates of the Director General of the UNRRA himself we may be faced with a famine and a death rate of between five and 15 million people. This is not therefore the occasion when this grant should be demanded of us at the present

moment. I ask my friends on the left to stick to their guns which they mounted in 1944 here in this chamber.

Now, Sir, my Honourable friend has again stated in his speech that there was no serious rivalry between the UNRRA and ourselves in the demand that we put forward before the Combined Food Board. I take it that that was the statement made by my Honourable friend. I took down his words—"No serious rivalry between us and the UNRRA in regard to the demands we made." Not only could I raise this objection on technical grounds, not only could I raise this objection because the Standing Finance Committee has turned it down, not only could I raise this objection on the basis that our needs are so great that this is not the time to come to us to make this grant; but I could raise a serious objection and I am going to ask my Honourable friend a very serious question. At the meetings of the Cereals Committee, is it a fact—and it is a fact—that our representation consisted of Sir Sonti Ramamurthi and Mr. Nanavati—and I believe that Dr. Row was our technical expert—and that when India was pleading for more cereals in this committee, UNRRA at the same time was pleading for more for Europe and that is obviously at the expense of India? My Honourable friend says there was no serious rivalry

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: If I may explain, UNRRA was pleading for its charge, both in Europe and in Asia and it was pleading for what it considered was necessary to discharge its responsibility. We were pleading for what we considered was the minimum necessary for us. In that sense there was rivalry. I said so in my speech.

Diwan Chaman Lal: My Honourable friend therefore knows that every demand made by UNRRA in this respect had to reduce the demand made by India. Although as he said there was no serious rivalry, this rivalry has resulted in my Honourable friend not being able to get the demand that he put forward before the Combined Food Board: he has got less than he asked for, although he pleaded eloquently, with his usual eloquence, and with a good deal of authority; but he was not able to get away with it—why? because of UNRRA; and if I were to object to this grant, I would be within my rights in saying that in these circumstances "Not a penny can go to UNRRA any more", I would be within my rights in saying that far from giving money to UNRRA, UNRRA should come and rehabilitate these stricken areas in India where famine is stalking and will be stalking throughout the land. But I do not go as far as that. My charity does not begin at home. I go beyond that. I say that in the interests of humanity at large I am prepared to agree to a grant but not at this present juncture; and nothing that my Honourable friend has said will convince me that there is any great urgency at the present moment compelling us to make this grant and not allowing us to wait for a period of four months. What is the difficulty that my Honourable friend is faced with? There is no difficulty at all. My Honourable friends over here who actually wanted relief from UNRRA, today are wanting to give this sum of Rs. two crores to UNRRA in spite of the fact that they themselves moved this amendment which brought it within the competence of this House to demand relief from UNRRA at a critical moment in our history. That critical moment is much more critical today in view of the situation throughout the country; and I would ask my Honourable friends therefore not to be a party to the passing of this amendment, asking that Rs. two crores may be handed over to UNRRA when the situation demands that far from giving a grant at the present moment we should demand something from UNRRA for our relief. I would remind my Honourable friends of what they themselves have stated on the floor of this House when they moved that particular amendment to the resolution tabled by my Honourable friend the Commerce Member. At that time they demanded and they got from the Government the assurance that in this particular situation India would be entitled, should be entitled, to relief from UNRRA; and this is the occasion when we must implement that promise given to us, implement the terms of that amendment moved by my Honourable friend on the 5th April, 1944, on the floor of this House.

[Diwan Chaman Lall]

I submit, Mr. President, that the time has come when we should not indulge in any arguments in regard to this matter, whether it is necessary or not necessary to make a grant to UNRRA; that matter is settled once for all; we have already made the grant; we are not objecting to the grant; what we object to is the expediency of making another grant at the present juncture, and my Honourable friends must realise that in this matter, even if one mouth less is fed as a result of this grant, the responsibility will lie upon their shoulders. It is a most serious thing, even if a single Indian should die of starvation, as a result of shipping space not being made available for bringing food to the hungry and cloth to clothe the naked. If, as I say, a single death should take place, the responsibility will lie upon my Honourable friends.

Therefore I submit that my friends should accede to the demand we are making. Postpone this particular grant. You lose nothing. If this grant is taken to a vote, there will be not only national but world wide repercussions. I do not want to divide this House. My friend is forcing me to divide this House on this particular issue. Everybody in this House is united that this relief has to be given but at the proper time. Why is my Honourable friend insistent when everybody in the Standing Finance Committee has agreed that the amount should not be given now? My friend has no arguments with which to compel and persuade us to give him this grant in this manner. My Honourable friend will therefore be well advised at this juncture to listen to my appeal and postpone this grant for a period of four months. Internationally we stand by every stricken country in the world. We shall do our level best to help stricken countries wherever they may be. We are ready to open our cupboards bare as they are to feed the hungry populations of the world but we cannot see our own hungry countrymen die of starvation. If my friend wants to take this to a vote, he is taking upon himself a very heavy responsibility. I make this fervent appeal in the interests of amity, in the interests of the cause which he has at heart, that this grant should be postponed for a period of four months until the dark and sinister clouds of famine and disaster have lifted and hunger stalks the land no more.

Sri M. Ananthasayanam Ayyangar: A word of explanation is necessary from me as to why I have tabled this amendment. I assure the House, the Leader of the House and the Commerce Member that it is not in the nature of a dilatory motion at all. Let not the impression go out from this country that those who have objected to make this grant now are against helping the needy and the poor. As far as I understand the principles of the Hindu faith, we do not believe in the principle of 'charity begins at home'. If one clothes himself and his wife and children there is no charity involved in it. It is only the instinct of protection. Charity comes in only when another man is needy. Our ancestors have done it even at the cost of their own convenience, even existence. I am not going back even by a hair's breadth from the principle so ably laid down. This country has always worshipped the guest as a divine being. I therefore reiterate the principles which we hold and cherish and we do not want to deviate from it.

When my Honourable friends refer to the Resolution of the Standing Committee, they are not sticking to any formality. They do not say that it is not open to any member to change his views on account of the changed circumstances. My Honourable friend Mr. Chaman Lall referred to the Resolution only to state that at that time both the Government member and the Chairman were of the opinion

The Honourable Sir Archibald Rowlands: No, Sir.

Sri M. Ananthasayanam Ayyangar: I accept your statement. The majority in any case were of the opinion that this was not the proper time and we were not in a fit position to contribute four crores of rupees. After my friend the Leader of the House returned from the International Conference, it is certainly

open to my friend the Finance Member to change his views and say that in view of the altered circumstances it is necessary to make this contribution. With all respect I am not able to see how the circumstances have changed now. So far as our own position is concerned, there has been absolutely no change. The internal economy of this country at this moment requires that not a pie should be given away in this manner. The Commerce Member, when he was put a question the other day as to why sufficient cloth was not available in Bengal, said that there was sufficient stock of cloth but if people still went about naked it was because they do not have funds to purchase the cloth. Again during the adjournment motion moved by my friend Mr. Sanyal, it was pointed out that people were dying on the streets of Calcutta. After some time the Honourable Member for Government said it is not for want of food that people die but because people have no money to buy food with.

Mr. Sasanka Sekhar Sanyal (Presidency Division: Non-Muhammadan Rural): The deaths have increased since then.

Sri M. Ananthasayanam Ayyangar: Therefore if people die of starvation, it is not because there is no food but people are unable to purchase. We are prepared to contribute this four crores by way of charity. Is it not the duty of the Government to feed Bengal and other needy provinces? Open *langar khana*s, start feeding houses instead of leaving it to Dr. Mookerjee and other philanthropic gentlemen to even to members of the Muslim League. Don't start this when it is too late. Start it immediately. During the war we have learnt the lesson of lend lease. Feed and clothe these people. At the end of two years, if they are not able to repay, write it off. I ask my friend who is in the air to come down to this mundane world. I see my friend Sir Gurunath Bewoor laughing. Why does he laugh? Is it such an absurd proposition that I am putting forward, that you should feed the hungry and clothe the naked? Use this money first of all in this country before you think of other countries. In Madras the position is a serious one. When India, as one of the 31 countries which contributed, made the original contribution, we were better off than now. Even in the countries which were engaged in the war, reports have shown that their health has improved and they have been fed and clothed better. But our position is peculiar. Here we have to face famine and pestilence.

My friend Mr. Manu Subedar has been asked to read out *in extenso* a report from *Commerce and Industry* which is a very popular journal. He read out a list of countries which were not affected directly by the war and which contributed for the first time or which promised or pledged to contribute. It is yet to be known how much these countries, England, America, Australia and Canada and others have really paid. Even they are taking time to pay. Is it not therefore right that we should also ask for time. We are not lagging behind in our sympathy to the devastated countries. Let us wait and see how our conditions progress. The monsoon has failed in the southern parts of the Presidency. The months that are ahead are fraught with serious situation and they may develop into enormous difficulties.

The Honourable the Leader of the House said, you give money and it will be converted into gunny bags and other things. So far as purchase of external commodities are concerned, it may be that we have to sell our commodities and in return for them get the articles we want. The articles which are surplus for this country have to be sold outside and in that way alone, we can get goods from foreign countries. In this way alone, we can replenish our necessities. Let us not be hasty in readjusting our conditions. We want only some time to see how our condition will be in the next few months. After all the need of U.N.R.R.A. may be exaggerated. It may be that by 31st December 1946, the U.N.R.R.A. may be closed so far as European countries are concerned. The institution may be wound up with respect to eastern countries from 1st April 1947. Within that period, still there is time for us to consider whether we should contribute anything. In these circumstances, it is not as if all this amount is being spent on one day. It will be

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spent only gradually. Let us wait and see. Whether these four crores are necessary will be known when we meet next. That is all the appeal I am making.

Let it not be said that Government was anxious to provide for other countries whereas the Assembly threw it overboard or defeated the proposal thereby bringing calumny on the heads of 400 millions of people of this country. I am sure, Sir, if, instead of my Honourable friend the Leader of the House going to America with his ironed pant and lace turban, he had gone there in rags, it would have shown to America the real condition of the people of this country and he would have been hailed by India as our true representative. That was the attire in which he should have gone. People who are well clothed and well fed do not carry a correct impression of the conditions of this country. If only my Honourable friend had showed to the outside world the real condition of the country, he would have evoked much sympathy towards us. It is better that we do not go to foreign countries with false ideas of our own position.

It was said that America was not fully aware of the real conditions of famine in Bengal. Yet, three million men died in Bengal. The world does not take note of this appalling state of affairs. It is because the so called representatives who go abroad in the name of India are not depicting a true picture of the conditions in India. These representatives do the bidding of the Government and commit this Government to all financial undertakings which we cannot fulfill in view of the famine conditions in this country. Is it not proper for our representatives to say: we are not able to spare anything from India, we cannot get any help from any corner of the world. On the other hand we need all the help from other countries in the world until we readjust our conditions, until we rehabilitate ourselves, until then we can do nothing to help devastated countries in Europe by way of monetary contribution. I am afraid the Honourable the Leader of the House would not have put before America our real conditions. But fortunately there are other friends in America who proclaim from housetops that this country needs all the help from others. This is the last country from which any help could be expected during the difficult times ahead.

In these circumstances, Sir, we are not deceiving the world, the world knows too well our present position. Therefore, by our postponing the grant of this demand for three or four months, we are not going down in the estimation of the public, we will not be calumniated by the world by being not internationally minded. We are not isolationists. We are certainly prepared to help. No person who is alive to the circumstances prevailing in India will level such charges against us. I once more appeal to the Honourable Mover of this motion to postpone it for a few months, at least till the next Session. We are all agreed on principle, it is only a question of postponement for a few months. Sir, I commend my amendment for the acceptance of the House.

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: Sir, may I make a suggestion. We are all most anxious that there should be a unanimous vote of this House on a matter of this kind and we are equally anxious not to divide the House on such an issue, because it has got a great bearing outside our own country. I understand from the speeches that there is no Honourable Member in this House who is against any grant to U.N.R.R.A., provided the circumstances of this country permit. Therefore, I suggest that the House may agree that a sum of two crores may be granted, if circumstances permit and that the Government on their part will watch the situation and make no expenditure out of this amount till the end of September when we would have known what the position of the country is. If that is agreeable to all parts of the House, it can go out as the unanimous Resolution that the House sympathises with the U.N.R.R.A.'s request and is prepared to expend up to two crores, but that the Government should not expend any portion of this amount till the end of September when the internal position of the country will be better realised.

Shri Sarat Chandra Bose (Calcutta: Non-Muhammadan Urban): Sir, may I say that the Honourable the Leader of the House has given expression to the feelings on this side of the House as well? Though an afflicted nation ourselves, we are quite prepared, nay, we are anxious to give help to other afflicted nations. In between the discussions that have been going on in the House, we carried on talks to evolve an agreed formula and it has now been put before the House by the Honourable the Leader of the House. I hope it will find acceptance from all sides of the House. So far as we of the Congress Party are concerned it finds acceptance from us.

Syed Ghulam Bhik Nairang: Sir, after the statement made by the Honourable the Leader of the House and the Leader of the Opposition, it is not necessary for me to say anything in favour of my amendment as such. On behalf of my Party, I accept the formula which has been put forward by the Honourable the Leader of the House.

Mr. P. J. Griffiths (Assam: European): On behalf of this Group, I also submit that we are prepared to accept the formula.

Mr. President: The only thing that remains to be considered is as regards the procedure.

The Honourable Dr. Sir M. Asiful Huque (Commerce Member). The amendment of Syed Ghulam Bhik Nairang may be put to the House.

Mr. President: The formula will remain part of the assurance.

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: It will go on record.

Sri M. Ananthasayanam Ayyangar: Does 1st September synchronise with the summoning of the Assembly?

The Honourable Dewan Bahadur Sir A. Ramaswami Mudaliar: No, I said end of September in the formula I proposed.

Sri M. Ananthasayanam Ayyangar: I beg leave to withdraw my amendment.

The amendment was by leave of the Assembly withdrawn.

Mr. President: The question is:

“That the demand for a supplementary grant of a sum not exceeding Rs. 4,00,00,000 in respect of ‘Miscellaneous’ be reduced to Rs. 2,00,00,000.”

The motion was adopted.

Mr. President: The question is:

“That a reduced supplementary sum not exceeding Rs. 2,00,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1947, in respect of ‘Miscellaneous’.”

The motion was adopted.

MOTION RE SECOND INTERIM REPORT OF THE COMMITTEE ON THE BRETTON WOODS CONFERENCE AGREEMENTS

The Honourable Sir Archibald Rowlands (Finance Member): Sir, I move:

“That this Assembly do approve the course of action proposed in paragraph 4 of the Second Interim Report of the Committee on the Bretton Woods Conference Agreements presented to the House on Wednesday, the 17th April, 1946.”

The House will remember that the first report of the Committee was to the effect that, beyond agreeing to the appointment of a Governor and an alternate and Executive Directors and alternates to the Fund and the Bank, no further action should be taken by Government without further consultation with the

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Committee and, through the Committee, with the House. We had hoped that by the time the Governor, who has been to a sort of preliminary meeting of Governors in Savannah, would be back, we should be a little clearer as to what the position would be in relation to such things as the settlement of sterling balances, and so on. In point of fact, the relevant point the Governor has brought back with him is to the effect that there is likelihood that the Fund and the Bank will come into being as effective institutions in the next few months. That would involve, if India remained as a member of the Fund and the Bank, that she would have to pay the subscriptions. But the provisions of the Articles do make it possible to postpone the payment of the subscriptions for a period after three months of the date of the notification that the institutions are in a position to start operations. And, therefore, we will have four months' grace for payment under these Articles, which we propose to take. Quite apart from that, it is possible, through our representatives on the Fund, to explain that, owing to the changes in our constitutional position and uncertainty as to the sterling balances, we would like a little longer time to make up our minds finally whether to withdraw from, or to stay in, these institutions. It may be that the institutions will accept the reasonableness of that plea, in which case no further difficulty arises. But if they feel that it would be inconsistent with their constitution to accept such a plea, the proposal of the Committee is that Government, before deciding what further action they should take, should summon a special meeting of the Committee of this House which was set up for the purpose and take a decision only after consulting them. I think it is a reasonable and practical way out of what is a real difficulty, and I commend the proposal to the House for acceptance.

Sir, I move.

Mr. President: Motion moved.

"That this Assembly do approve the course of action proposed in paragraph 4 of the Second Interim Report of the Committee on the Bretton Woods Conference Agreements presented to the House on Wednesday, the 17th April, 1946."

Mr. Manu Subedar (Indian Merchants' Chamber and Bureau: Indian Commerce): Sir, I should like to explain the outlook of the Committee on the subject which is now before the House. In the first instance we were all of the opinion that as constitutional changes of a major character might be brought about in the next few months, it was only proper that the final decision whether India should stay in the Bretton Woods Fund and Bank or whether India should go out should be taken by a Government responsible to the Assembly and not by this Government. We also felt that this is a new international experiment, and while expressing sympathy for everything large in the international field which is set up for a good and permanent beneficial object, we did feel that it is an experiment. It is an experiment which like the Hague Tribunal and like the League of Nations might end without fructifying; and in that case the question is whether it would be right and wise to make this country liable for a final contribution of something like 266 crores of rupees. This, Sir, is a major decision which only a responsible Government should take; and we also feel that this is an amount of such a large magnitude with regard to India that no decision on this subject could be taken until we were quite clear with regard to the sterling balances. And on this subject I want to say a few words, because when we are going to incur further liabilities we cannot separate the other question of how and when we will collect our assets which are outside.

Now, Sir, the House will note that both in the previous Interim Report and in this report there are various things stated with regard to this very important question which ought not to be forgotten. In this report we say,— and it should be noted with great regret,—

"We note that no clarification has been made by His Majesty's Government on the issue of sterling balances, and we reiterate what we said on this subject in the last report dated the 26th February, 1946."

This is what we said then:

"In our view the final decision whether it would be to India's advantage to remain a member of the Bretton Woods institutions may be determined to a very considerable extent by the outcome of the negotiations which His Majesty's Government are committed to undertake with the Government of India on the subject of liquidation of sterling credits. If these negotiations are unduly delayed" (*and I want the House to note this*)—

"it may be necessary for India to withdraw before these negotiations take place, because it may happen that India will be called upon under the Agreement to undertake commitment^d which she may feel unable to shoulder in the absence of a satisfactory solution of the sterling credits".

Sir, these are very clear words; these words were put down unanimously in the report of the Bretton Woods Committee on the 26th February last. We are now approaching the 26th April; and I am sorry that during these two months no progress has been made of any kind. Let me point out why this matter is very urgent and very acute. The House will remember that some of us at the end of the last Bretton Woods Report appended a short note, in which we pointed out the desirability of making structural changes in the law in such a manner that His Majesty's Government may not be able to make use of and abuse the provisions of section 41 of the Reserve Bank of India Act, by which they pay sterling and receive rupees here to an unlimited extent. This is something which is rankling in our mind. It has been the unanimous demand of all sections of public opinion in this country, of all shades of the press, of every class of that economic press in the name of which my Honourable friend swore during the last debate on this subject

The Honourable Sir Archibald Rowlands: I never swear!

Mr. Manu Subedar: I beg pardon. My Honourable friend respects the wishes of those sages in the economic press so much that he pointed out how they differed from me. I am now taking the opportunity to point out how they differ from my Honourable friend in this particular respect, namely, that it is the unanimous desire of every section of this country that not one pound should be added to the sterling balances. We have pressed it over and over again. This is not a question of quantity either. My Honourable friend tried to pass this off in his finance speech by saying that we shall have only about 40 crores. Well, 40 crores is 40 crores; and besides, it is a matter of principle. I will illustrate how when we get used to a wrong idea and an evil we go wrong in some other direction. Today my Honourable friend the Leader of the House said, "Why don't you let jute go unpaid? If you are paid for it, it will only add to your sterling." But two wrongs do not make one right. It is wrong in the first instance that anything which is the product of this country's activity and toil, anything in which our man-power has gone to the making of it should be taken away from here and paid for either by a credit in the sterling balances or by worthless pieces of paper. It was wrong for this Government to acquiesce in this system for the last four years. And my Honourable friend got so used to this wrong idea that he thought he would bolster up wrong opinion on this on the strength of this particular wrong which we have been protesting against. And he says, "What does it matter now? Why don't you let some of the jute go without payment? Because if you let it go for payment you only get sterling; you let it go free." In other words we have come to this that produce resulting from the toil and sweat of this country is free to be robbed and taken away in every possible way, in every possible manner, and to every possible extent. The argument is based actually by the Leader of the House on this wrong system which they have built up. Sir, I protest: I protest in the name of the people of India against this wrong notion which they have got and I say that it is extremely necessary for this Government to put an end to the system by which military or any other kind of expenditure on behalf of His Majesty's Government can be financed by the

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issue of extra notes by this country and by addition to the sterling balances which are there. I am sorry to say that the Honourable the Finance Member when I asked him a short notice question on this and certain other issues refused to accept the short notice question. When I put in a long notice question and when the question came up he said that perhaps the Honourable Member would like to wait till he has seen the report of Sir Chintaman Deshmukh. We waited. I saw Sir Chintaman's Report. It does not give me the information which I am seeking and for which I am taking this opportunity of speaking. It does not give me the information when and how long are we going to have this agony of real value being taken from this country by His Majesty's Government against payments which they are not making and against merely a sterling credit at the other end? Why will not this Government stop it? What effort has my Honourable friend made since he has assumed office, what effort he has made since the first interim report of the Bretton Woods Committee, what communications have taken place on this subject, what are the difficulties, if any, and why has he not taken the instructions of this House, because in the normal course this House should meet some time in October although as a result of some political settlement the House may meet earlier—and I win my bet of hundred rupees against him—, in what manner my Honourable friend has armed himself with any instructions with regard to the policy which he will follow in the interval with regard to the increase of this sterling debt, with regard to the change in the Reserve Bank sections? On a previous occasion my Honourable friend resenting the name London controlled Government, said that he never takes instructions from London! He decides himself. As he does not take instructions from us, and as he does not take instructions from London I must say that my Honourable friend is in the character of a greater Hitler than Hitler himself. The theory on which we are working is this:—if I am wrong the Law Member and the Honourable the Leader of the House are free to correct me—I want to know if these gentlemen on the Treasury Benches are not responsible to us and if they say that they are not taking any instructions from or giving any report to the Secretary of State, who are they responsible to?

The Honourable Sir Archibald Rowlands: Slight exaggeration. Go on.

Mr. Manu Subedar: The theory is that it is British Parliament which is governing this country and these gentlemen are responsible to their master the Secretary of State who has come here, and not to anybody else—not to us. Therefore, when he turns round and says 'I do not care for your instructions' I can understand, and that is the sort of Government which we are here to pull down. We want a Government which will take instructions from the House and which will respect the wishes of the House. But when he said regarding the imposition of duty on bullion that he is not taking any instructions from London . . .

The Honourable Sir Archibald Rowlands: Nor from Bombay.

Mr. Manu Subedar: . . . nor is he reporting to anybody in London (Interruption) nor is he even informing his masters in London . . .

The Honourable Sir Archibald Rowlands: I certainly did not inform Bombay.

Mr. Manu Subedar: . . . I cannot understand what he means by that. Any way I do not want to take up the time of the House in discussing constitutional matters which are being discussed at higher level and we all trust that the outcome of those discussions will be satisfactory.

The other point I wish to refer to is that the Honourable the Finance Member has not secured us the assurance which we were seeking, which we urged, namely that His Majesty's Government will not plead with us Section 10(1)(c) of the Anglo-American Loan Agreement when they come to discuss this matter.

Further there is no recent statement from His Majesty's Government or from any statesman connected high up or from the Chancellor of the Exchequer of the United Kingdom indicating what are Britain's intentions with regard to sterling balances. We know nothing. We are constantly hearing unofficial British press comments on this subject. We are expressing an anxiety of this House, which is a proper place where anxiety should be expressed, and it is the duty of my Honourable friend to have sent down all these expressions of apprehension and anxiety and to elicit from His Majesty's Government a clear announcement on the subject which would allay these anxieties in India, and I say that it is very necessary in the interest of good relations and goodwill between the two countries that a proper assurance should be forthcoming, and I regret very much that my Honourable friend has not been able to secure this right up to the last day of the Session, and I take this opportunity of reminding him that before the threatened departure, which he is constantly mentioning to us, I trust he will again press for this assurance and get it from His Majesty's Government.

With regard to the proposal for negotiations, there is a very clear anxiety on the part of all of us in the Committee unanimously that early negotiations should take place. My Honourable friend must have written to His Majesty's Government but I am sorry he did not take the opportunity to tell us what has happened, and I hope he will tell us when he begins to reply what has happened to these negotiations. Are these negotiations taking place at all? Why has not my Honourable friend come to this House for some instructions with regard to these negotiations? Who is going to do the negotiations and on what basis will these negotiations take place? Has my Honourable friend pressed on His Majesty's Government that early negotiations should take place? Has any date been indicated? Is the delegation coming here or is the delegation going from here to England? What will be the personnel of such a delegation, and what will be the terms of reference of such a delegation? May I know why my Honourable friend has not sought to take this House into confidence, and why he has not tried to ascertain the wishes of all the parties in this House? Why he has not armed himself with something which will indicate the intentions and desires of Members of this House which he may follow during the interval of three or four months when this Assembly will not be in Session?

With regard to sections 40 and 41, my Honourable friend mentioned in his last speech on Bretton Woods that he will take an early opportunity of informing this House in what form and when such changes as are required in sections 40 and 41 of Reserve Bank Act will be made.

The Honourable Sir Archibald Rowlands: I think not.

Mr. Manu Subedar: He has not informed this House. I asked him again, but he was not willing to inform. I do not want to embarrass my Honourable friend, but I trust he will appreciate the spirit in which I am asking. I feel, Sir, that these sections which permit the abuse of the currency machinery of this country cannot be permitted to go on very much longer in this manner. We are anxious to put this matter right, and it is the duty of my Honourable friend, if he claims as he has frequently done that he is the custodian of Indian interests in this respect, to try and put this matter right. I think it was his duty to come to this House for instructions on this subject and not to have the last day of the Session pass without some reasonable recognition by him as to what are the desires of the principal parties in this House in this very important matter both of the sterling balances and the negotiations pertaining there to, and also with regard to the necessary amendment of sections 40 and 41 which is necessary to put right further accumulations. It is necessary also, if and when it is decided that this country will stay in the Bretton Woods Fund. If we stay in the fund, we have to fix the gold par of exchange. We shall have to fix it. Fortunately for us and fortunately for me personally. The difficulties of the International Fund and Bank authorities in the other country prevented

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them from starting the operations of this Institution on the 1st May as they were threatening to do. They have themselves shifted it to the 1st September.

The Honourable Sir Archibald Rowlands: No fixed date.

Mr. Manu Subedar: I was told in a press telegram which came from the U. S. A. that no operations will start at least before the 1st September.

The Honourable Sir Archibald Rowlands: At least not before the 1st September.

Mr. Manu Subedar: Very fortunately for us, a certain amount of breathing time has been secured by us without any effort, and I am glad because the task of fixing the gold par of exchange and the task of settling all the issues attendant thereto, and the task of financial sterling balances negotiations are all hanging upon us. These are all serious tasks on the head of this country which will have to be attended to with assiduity and these are not matters of complacency of the kind which my Honourable friend seems unfortunately to disclose. Any way, we have all these heavy tasks before us, and I was very glad that we got some time. I still trust that we shall get another three months before that, because what with the international issues, the trade balance and the other issues, it may not be possible for anyone in this country finally and very confidently to fix the gold par of exchange. Anyway, when that occasion comes, you will have to suspend the operations of those two sections and substitute therefor a suitable law which will give clear directions to the Reserve Bank authorities in their day to day operations.

Sir, in conclusion I would say that it is a great pity that the whole issue is left hanging. Here we have a delegation of this supreme status and influence. May I know, Sir, why this delegation has not been seized of this issue which is giving us trouble? This issue of the sterling balances which I mentioned before is equal to 18 years of net income of the Centre of India. It is equal to 25 years of the trade balance of India. Sir, these are not small sums. It is something of such a magnitude that it overshadows all our thoughts on the financial issue of India. May I know, Sir, why this delegation was not seized about it? If they have been, it will be for my Honourable friend to tell us. If not, may I suggest that after the first political and large issues have been dealt with, will not these august persons from the United Kingdom say something, give us the assurance which we have been seeking, allay the apprehensions which have been aroused in this country, and in doing this, they would be doing not only a fair and proper and just thing by themselves, and by India, but they will help very seriously the cause of mutual goodwill between this country and England which is assiduously being sought by all sections and parties and in which search I myself am joining my friends here. May I say, Sir, that nothing will create a fund of goodwill like a declaration or an assurance that in financial matters, justice will be done to India, that the apprehensions need not be felt, that there need not be any unnecessary anxiety of this subject. Sir, let me with all humility point out that any perverse wrong or grasping attitude in the matter of the sterling balances and the redemptions thereof, will on the contrary create a spirit of ill-will, will destroy a fund of good-will which it will not be proper in the interests of both the countries. Therefore, Sir, let me end with a note of appeal to my European friends here—British friends may I call them. To my British friends and to the Honourable the Finance Member, whose far-reaching influence I am fully aware of, let me make an appeal. Here is a situation which is worrying our minds. Will you not help us in the interests both of your country and our country to allay apprehensions and set them right, particularly now that those who decide these issues, those who have the final word, they are here, on our land, on a great mission. Will you not help us and yourself to that common and mutual understanding of a just foundation between the two countries, between England and the United Kingdom?

Mr. Geoffrey W. Tyson (Bengal: European): In rising to commend the report of the Bretton Woods Committee Second Interim Report just before the House, I do so with a clear conscience. This matter has been before the House almost the whole of this long and rather exhausting session, and I would like to say along with Mr. Manu Subedar that one of the reasons why the Committee has been able, after many sittings to produce two reports which have found acceptance of the House is because of the patience and tact and the skill which the Finance Member has shown in presiding over its deliberations. I say that because it is possibly the last occasion in this House when we will be able to say how much one has appreciated the wise counsel and guidance that Sir Archibald has been able to give this Committee in particular and the House in general.

When Honourable Members read the third interim report, they will realise that once again in this matter, as well as in other matters, a matter which we discussed a few moments ago, India has succeeded in obtaining the best of both worlds. We managed to adopt, thanks I think to the skilful presentation of his case by Mr. Manu Subedar, an extremely envious stand, which I feel some of the other nations would be envious if not jealous.

We have had the benefit of meeting the Governor of the Reserve Bank since he returned from Savannah and he has presented a long and interesting report to the Bretton Woods Committee. I do not think that any of us are in two minds at all about the question that we got in the person of Sir Chintaman Deshmukh the best possible Governor which India could send to this International Institution. When this subject was first introduced into this House, now nearly three months ago, I said on behalf of the European group that what we wanted was that India should exercise full responsibility as a member of the Fund and that it should be exercised on behalf of India by an Indian and in the interest of India. I would like to say that I repeat what was then said and I am quite sure that the report which Sir C. D. Deshmukh has presented to the Bretton Woods Committee endorses the very considerable confidence which the legislature, the banking community and the country at large has reposed in this distinguished officer of the Government.

My Honourable friend Mr. Manu Subedar once again introduced the question of sterling balances and the settlement of the outstanding debts between Britain and India. At the end of what must be a very brief observation I would merely say that we on these benches who are interested overwhelmingly in the field of trade and commerce realise that the nature of that settlement which is made between the two countries will affect our fortunes very considerably in the future. My friends on the other side of the House may therefore rest assured that we are interested in a just and realistic settlement of the debt. We are as much interested as they are, may be from a slightly different point of view. The delay in getting down to negotiating a settlement has not been under the control of the Government of India. It has not been within the capacity of the Finance Member either to indicate the lines of the settlement or to indicate how soon negotiations can be begun. Clearly they cannot commence until the final outcome of the Anglo-American loan negotiations and the agreement which is now before the Congress are known. But I feel sure that once that position has been cleared and negotiations have been taken up many of the apprehensions which my Honourable friends on the other side of the House feel about the sterling debts will dissolve in the certain knowledge that practical steps are being taken to see that India receives a fair and honourable settlement. Lord Keynes' words in this connection have been frequently quoted and I do not think I can do better than repeat them in bringing to a close my very brief observations on the report that is now before the House. Lord Keynes said at the Original Bretton Woods meeting: "It is honourably lent and would be honourably repaid." My Honourable friends on the other side of the House can disperse with that assurance firmly fixed in their minds. Sir, I support the interim report which is now before the House.

Sri M. Ananthasayanam Ayyangar (Madras Ceded Districts and Chittoor: Non-Muhammadan Rural): Sir, I will take just a few minutes. Sir I want that serious consideration to this resolution that has been brought forward has to be bestowed by the House. The first resolution that we passed already was that the Committee do consider and report to the House whether it is proper or in the interests of the country to continue its membership in the International Monetary Fund and in the International Bank. Without the consent of the Assembly legally we are members of the fund and the bank now because the Governor General and the Government of India entered into the membership and signed on behalf of the country. The only question now is whether it is proper and desirable for the country to continue its membership or not and pending decision with regard to that matter, the third clause of the resolution that was passed says, that no further steps ought to be taken in the direction of either sending a Governor or contributing financially by way of subscription to the fund. After the original resolution was passed, this Committee reported to the House and the Government to appoint a Governor and a Director was an inroad to that extent. Clause 3 of the original resolution said that pending final report as to whether we ought to continue to be member or not further action ought to be suspended but the previous resolution giving power to the Government to appoint a Governor and send a Director is an inroad. So far no financial commitments have been made by the time both the Governor and the Director went. The Governor has returned and he has not brought us any greater enlightenment than we originally had regarding our status and position. After he has come back our position has become somewhat dubious. Russia was not an original member. Five places were reserved for permanent membership and we got somehow in an interim manner a permanent membership on the directorate. But now the position has been challenged. If Russia comes in at any time we will have to vacate in favour of Russia. We will then be relegated to ordinary membership which expires in about 2 or 3 years. Whenever Russia may come in we will be assailed and we will be relegated to a subordinate position. The matter is being considered by the Governing Body but I am sure the interpretation lies in their hands and they are going to say that we are not entitled to a permanent Director there. For a couple of years we may continue but after that we must take our chance along with others whether we are to continue on the Directorate or not. That is the position. We have not gained after the Governor and Director have been sent. They have only raised doubts in us and confirmed the doubts we have already had and further doubts have come in. The activities of the Fund are proceeding. They may at any time call upon us to fix our par value and intimate to them the par value and if we contest and if we ask to be given time, we are given 90 days within which the matter must be settled. Utmost we will have three months. At the end we shall have to subscribe both to the Monetary Fund and the Bank to the tune of 266 crores. The money may not go away from the country. A large portion will remain in the Reserve Bank, not as belonging to the Government of India but as a contribution to the Fund of the bank. If the Bank

The Honourable Sir Archibald Rowlands: It is credit rather than contribution.

Sri M. Ananthasayanam Ayyangar: I suppose you are not contesting my proposition. He may not agree with me fully. If the Bank starts operations and begins to lend money to other countries the entire sum may have to be paid. Therefore we will have to think a hundred times before we undertake the responsibility of giving our subscription to the tune of 266 crores. That is the responsibility of the Assembly. This resolution empowers the Committee to send a report as to whether it is open to the Assembly to take a decision regarding its continuance as a member. If we are to continue to be a member that involves 266 crores. Now according to the interim report the Government will make its best attempt to gain time to pay off the subscription. If we are unable to succeed you must give power to the Committee to advise the Govern-

ment and if the Committee advises the Government may proceed with paying the subscription. You are now clothing this Committee to make a final decision if perchance the decision has to be taken before the next session of the Assembly. Therefore being aware of all the consequences I would request Honourable Members to vote for this. If they do not agree they may give a direction that until the next session of the Assembly we shall not subscribe whatever might be the consequence. In the committee I said that the consequences would not be too severe and I am reiterating the same position here. If we do not pay we can represent to the Directorate of the Fund and the Bank that owing to the impending constitutional changes we are not in a position to make up our mind and pay the subscription. They may refuse. Even if they refuse the articles both of the Monetary Fund and the Bank prescribe that they must give notice to us and ask us to withdraw from the Fund or the Bank. That will take a long time. In the meanwhile we may settle the question. Therefore even if the Assembly agrees to this proposition, *viz.*, the resolution that has been moved, it must be on the understanding that the Government will take every possible step and write for getting time until the next session meets. Till then no financial commitments ought to be made. If perchance it had to be done we can intimate to them our withdrawal. Withdrawing after paying subscription is one thing but withdrawing even before paying subscription in case our sterling balances are not negotiated is a different matter . . . Therefore unless the Honourable the Finance Member and the Government give an assurance that they would protract even if there be a call, they will put off contributing till the next session of the Assembly I would not advise that we should accept this. The Honourable the Finance Member gave an assurance of that kind

The Honourable Sir Archibald Rowlands: Sir, the Honourable Member is trying to make an amendment to a report which he has signed, without moving a formal amendment.

Sri M. Ananthasayanam Ayyangar: I am not.

The Honourable Sir Archibald Rowlands: Yes, you are. You are suggesting that no further steps shall be taken by way of subscription or otherwise till the next session of the Assembly takes place. The idea is by giving an assurance that you will take advantage of every provision of the Articles. We will write to the Bank for time and then we will re-enter after consulting the Committee. I am talking about the Government of the time—not myself. The decision may be taken by the Assembly. I do not see the Honourable Member is in order in trying, in effect, to introduce a new decision in the Report which is before the House.

Sri M. Ananthasayanam Ayyangar: I do not want to go behind the Report I signed. All that I am submitting is this and I want to emphasize this point once again. It is possible for the Honourable Member and the Government to put it off till the next session of the Assembly. There are two ways in which the matter can be approached. One is with the confidence that we will have time. Another is that we cannot get time and then drop down both hands and feel helpless. I want the Government not to become helpless but to take courage and write to the Director to say that it must be put off for a period of five or six months. If in spite of all this we do not succeed we shall try to see in the Committee what the Assembly should do. I do not want to go back on what has been resolved. So far as sterling balances are concerned, my Honourable friend has been stating again and again, but my Honourable friend undertook to give us facts and figures regarding the manner in which the sterling balances could be adjusted. We are yet waiting for some such declaration in the House.

The Honourable Sir Archibald Rowlands: I don't know what you are talking about.

Sri M. Ananthasayanam Ayyangar: The Honourable Member said he knows the assets, the various European assets, in the country and he said he would give an idea of them.

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

The Honourable Sir Archibald Rowlands: I would like the reference to that speech. I will try to find out.

Sri M. Ananthasayanam Ayyangar: So long as the Honourable member is in this Government he represents us and he must be interested in seeing that our sterling balances are not liquidated in a manner detrimental to our interests and in seeing that our claims are realized to the last pie. I am sure that so long as he continues to be in the Government here he will take every step and place the interests of this country over and above the interests of his mother country.

Mr. Abdur Rahman Siddiqi (Calcutta and Suburbs: Muhammadan Urban): Mr. Deputy President, Sir. Three Members of the Committee on the Bretton Woods Agreement proposals have been telling tales outside the school. I do not understand their putting their hand and signature to this Report and then coming and tearing it to pieces in a thousand and one ways in this House. More than that, they have sold away the privilege of this House by recommending that they be granted the power to have the final say on the subject without consulting it at all, in case that peculiarly dangerous moment for decision, comes between two sessions of this House. Their consciences have perhaps, been disturbed otherwise I cannot understand how and why our representatives could put their signatures to this paper and then come and try to re-establish themselves in our eyes as the upholders of the rights of this House and the upholders of the rights of the Indian people.

Sri M. Ananthasayanam Ayyangar: We do not see any other way.

Mr. Abdur Rahman Siddiqi: They confess to their inability. All the arguments used in the speeches that we have heard to-day should have got into the Report. We have been passing through hours and hours of debate and discussion on this subject. Evidently we have two minds on every problem and we try to be tactical and yet in a most obvious manner it appears as if we have no mind at all and we have no opinions. The Honourable the Finance Member pulled his colleagues of the Committee one way while their consciences pulled them the other way. As we collapsed about the decision on the fleabite of two crores—we did on this also, the whole future financial position of India so far as regards not only this wretched Bank and International Fund but also that aggravating malady, financially speaking, of sterling balances which are increasing from day to day. Whether the Honourable the Finance Member will now, under the instructions of this Committee when specially summoned, give them an assurance as to the amendment of the Reserve Bank Act, or whether he will induce the Secretary of State, during his remaining days of grace in India to tell us something about how the British Cabinet is going to deal with our money, are arguments which do not carry any weight or substance in my view. We have not got the courage nor, it appears, the confidence to declare our will. Making argument in this House in a debating way is one thing and standing by our constitutional and our financial rights is another. This is not a shopkeeper's business nor a matter of banya politics. I hope it is not the intention of the critics to walk over tomorrow to the other side and get kudos for bringing back millions and millions of sterling pounds into this country! It is so ridiculous on the face of it. I know there will be a scaling down. I do not know in what shape, whether in cash or in kind or in service, our money will come back. If the experience of the last war is any indication, we should wash our hands off the sterling balances. If I had my way, Sir, I would not touch the international Fund and Bank with the longest possible barge pole. As I said, on the First Interim Report—I hope there will not be half a dozen Interim Reports—I think we could come to a settlement on this

problem easily. Let us forget the thing altogether. India, with its raw material, is an important item in world economy. If we do not go into the International Fund and Bank, the International Fund and Bank and their supporters will come to this country to buy things from us, and pay as we demand. This country has been played with in regard to sterling balances and dollar pools. So long as we do not possess power we cannot control even our own destiny. What will actually happen I do not know. The bet of an earlier date was repeated by the Honourable Member who has signed this report and criticised it. It will be difficult to find another instance of self-condemnation than this; but whether we go ahead with this, or we do not, I have always been of the opinion that in international affairs India will always have to play second fiddle. I have been forced to the conclusion to-day and I express the fear to you, Sir, freely, that even when there is a change-over in case the Secretary of State is really generous and kind, then too, with this double-mindedness and bania mentality, we shall not be able to play our proper role, so far as the rights of the poor man, whose money has built the sterling credits, are concerned. I am doubtful if we shall get anything back. Every representative of every party

4 P. M. has signed this report. Therefore, under party etiquette and rules, the Report will go through; but if these gentlemen had not developed the psychology of fear, I feel certain that the Honourable the Finance Minister will not have played with them as puppets in his hand. They dare not utter courageously their views in the committee; but here to make the reporters in the gallery come out in streamline headings that X the great nationalists stood up for the financial rights of India but only after they had sold them away under the towering frightening personality, persuasiveness and influence of the Finance Member. I am a bit surprised because it is difficult to place confidence in members of this committee who signed this report and who demand, against every principle for which we have been fighting for the last thirty or forty years—and of which they want to rob this House to take final decision: they want to be left alone and they want to be played with by a powerful finance minister to sign away every possible chance of getting back our money. If we cannot get that, then saving ourselves 266 crores, which statistically were declared equal to 18 years of our income at the centre and 25 years of the trade balances of this country—all this they want to hand over to him, and he says "I am going away; one of your own brothers will come and sit over the problem"—and then as we say in Urdu, *Garib ka pet kat kar* after starving the poor man, the funds accumulated will be thrown away. We shall not be able to rectify the blunder committed in this Report; and may I suggest that we too as members of this House would have preferred to read the words of—what the Governor of the Reserve Bank of India told them in committee, and whether his other fellow members and directors were prepared to look upon this country with some consideration or were we going to be used by British ministers and their economic advisers to help them build up their own plans and economies and we were to be left in the lurch in our own country, to fight for a flea-bite, as I said, of a mere 2 crores, and to hand over 266 crores. To find reasons to get out of this Report, now is something which is neither dignified nor worthy of our representatives on the committee. The Report will go through; but may I warn them that in case that special meeting is called in between this session and the next, they will have to behave a bit better than they have done so far. I hope the Report then will not be an interim affair; and I hope whatever decision they take, it will be not in a manner as if their brains were empty and their hearts full of fear. Let them go ahead; even if they make mistakes I shall be prepared to forgive them; but let them make those mistakes with courage and confidence and not with fear in their hearts.

Dr. Sir Zia Uddin Ahmad (United Provinces Southern Division: Muhammadan Rural): Sir, as soon as I go out from this House at the fag end of the Session, the gentlemen on the top in the press gallery will ask me, what has been the bogey of this particular session? Is it the I.N.A. or UNRRA, Food, or Bretton Woods? I will have no hesitation in saying that the bogey of the present session has been Bretton Woods. We discussed it in the beginning; we

[Dr. Sir Zia Uddin Ahmad]

are discussing it in the end, and we discussed it—I do not know how many times—in the middle of the session; and today we are in the same position as we were in on the first day. My friend Mr. Siddiqi pointed out that we did not know our minds when we signed the report; but the real question, as I pointed out on the very first day when this Bretton Woods Report was presented before the House, has been that we have been discussing the side issues and not the main report itself. We have all the time been using this international monetary fund and the international bank as the fulcrum for some subsidiary questions; and we did not take the problem as it should be, and it is on account of these subsidiary problems which we have been discussing all the time that the main issues were subdued by these subsidiary issues; and the conclusion was what my Honourable friend has just pointed out. Instead of thinking about the Bretton Woods Report, we were thinking of the subsidiary problems—we have been discussing quite a lot about our sterling balances. We all share the views expressed by my friend Mr. Manu Subedar that India is a poor country. We cannot write off the sterling balances amounting now over 1200 crores. We cannot settle this thing immediately and this is a question for negotiation. England is not in a position to pay. Even if England paid the amount, it cannot be in the shape of gold. It will have to be in the shape of articles and commodities but when this course is suggested, the representatives of industry say 'No'. They say that these things should not be imported from outside and that these things ought to be manufactured in the country itself. When I suggest that a large number of wagons and carriages and locomotives should be imported from outside, I was told by my friends 'No. We should manufacture these things inside the country. We must have our own workshops for this purpose'. So that when we suggest that these sterling balances should be repaid in the form of goods, the cry comes from the industries—please don't allow it. Otherwise our industries will suffer. Nobody has yet suggested the form in which these sterling balances will be paid. It is evident it cannot be in the form of precious metals, gold or silver because gold and silver are not available in the world. They have all been locked up by America. In the old days it used to be shut up by France. Now, the whole of the French gold has gone to America. As our saying goes: *Barai nihadan che sange che zar*. (This gold to us is no better than stone.)

When a thing is locked up, it may be stone or precious metal. So long as the gold is not in circulation, and is not available, these sterling debts cannot be paid in terms of the previous metals but only in terms of commodities. If it is not to be paid in terms of commodities, then the question will arise in what commodities it is to be paid.

No country can possibly manufacture goods worth 1200 crores and no country can possibly absorb them. It is a question of negotiation as to in what way it can be paid and this will extend over a long period of years. It cannot be done in a day or two. You cannot make a payment to order. You cannot ask the Finance Minister of the United Kingdom to write a cheque for 1200 crores in favour of the Finance Member of India, because that cheque cannot be cashed. Paper money from the United Kingdom will have no value in India. The only way in which we can deal with this is by means of negotiation. The Finance Member has convinced us, at least I was convinced, that he will take the earliest opportunity to have the question of sterling balances settled. Either he will send a deputation from this country to England or he will ask for a deputation from England to visit India. I see no other alternative. It cannot be paid by a cheque. The method of payment has to be discussed.

Then we have to get a part of our sterling balances changed into dollars and other currencies. If we wish to get the articles, we must get them not only from the United Kingdom but also from other countries and the exchange of other countries should be available to us. This is a matter for consideration and negotiation. None of my colleagues say that there should be no negotiation

but there should be immediate payment. We are not Shylocks and we do not insist on our pound of flesh. But India is a poor country and it cannot afford to lose its sterling balances and the danger in our minds that it may be ultimately written off should be removed. This is the only thing on which we wanted to be assured, as some members had the apprehension that the entire amount may be written off. As I have said, the negotiations will take time. The thing cannot be done all at once.

I shall deal with the bogey of sterling balances later on but in the meantime I have got a corollary. How have these sterling balances accumulated. My friend Mr. Siddiqi said and I repeat that it has been accumulated owing to the misery and sufferings and privations of the poorer people. There cannot be any two opinions about it.

Then, Sir, we have been talking of sterling balances but nobody is thinking of the rupee balances. Now, a large number of people have accumulated rupee balances by the same process, namely, the sufferings and privations of the poor people. When we consider the question of the sterling balances outside India, we shall also have to take into consideration the question of the rupee balances inside India. Though I do not want to raise this at the fag end of the session, I give notice that I will take care to raise it in the next session.

Mr. Deputy President: Too much talking is going on in the House and that makes it impossible for the Chair to follow the debate. I hope Honourable Members will not speak loudly.

Dr. Sir Zia Uddin Ahmad: Sir, about rupee balances, this is a question which is agitating the minds of leaders of the country at present. By the accumulation of rupee balances who are the people who suffered? It is really the poor people who have suffered most. I give notice to the Government now that I will take up this question during the next session and will demand a statement from the Government as to how much rupee balances have accumulated on account of the privations and miseries of the poor people in this country during the great war. What are the methods we are going to adopt in order to recover these balances. My Honourable friend might say that death duty is one of the methods by which he proposes to recover the rupee balances. But I say this method of recovery is very lengthy, more lengthy than the negotiations for recovery of our sterling balances. In our negotiations for recovery of sterling balances, one point has been overlooked. We should not utilise our sterling balances in order to bring what are called capital goods. Capital goods will be advantageous to those persons who are the custodians of our rupee balances and really they are trying to convert the sterling balances into rupee balances. The poorer people are not benefitted by this conversion of sterling balances into rupee balances in the manner in which it is demanded by some persons. They propose to purchase capital goods from England, America and other countries wherever they can get cheap. The problem thereby remains as it was. It has not been solved. I would like to utilise these sterling balances in order to lower the price level in order to raise the purchasing power of the rupee. If the sterling balances are to benefit the poor people of India, it ought to be utilised in a manner that the purchasing power of the rupee may increase, that we really get full value to the rupee. I raised this question in 1931 and I said then that great care should be exercised by the Finance Member in stabilising the internal price of the country. I raised this question on the floor of the House in 1931. I referred to the Macmullan report and to the speeches of Lord Keynes on this particular question. I thought that probably the successors of Sir George Schuster will take up this problem. But no attention was paid. I trust that this International Monetary Fund and the International Bank will help us to solve this particular problem which is really a problem of all problems. The Finance Member is now tackling subsidiary questions like the dearness allowance, war allowance, this allowance and that allowance. But he has overlooked the main problem of which all these problems are corollaries.

Diwan Chaman Lal: I rise to a point of order. Is there no time limit for speeches on Resolutions?

Mr. Deputy President: There is no time limit for this. There is time limit only in the case of Resolutions.

Dr. Sir Zia Uddin Ahmad: Then, Sir Jeremy Raisman came as the Finance Member. He concentrated his attention on the stabilisation of bank rate of interest. As I said very few people are interested in the stabilisation of bank rate of interest. How many people have got bank account? How many people really deal in bank shares. The average man is interested only in the purchasing power of the rupee. Now when the Bretton Wood report is under consideration, this is the occasion for me to emphasise on this question and urge that the Government should immediately take steps to stabilise the purchasing power of the rupee. There are two parallel issues before us, one the sterling balances and the other stabilisation of prices. I say whom does the sterling balance benefit? It will only benefit the multimillionaire. They will only transfer the sterling balances into rupee balances. The poor people will remain where they are. These sterling balances ought to be utilised to reduce the price level which alone will benefit the poor people. Therefore my proposition is that this Bretton Woods Agreement ought to be utilised in order to stabilise the purchasing power of the rupee. Then, people may ask what Bretton Woods agreement has got to do with the stabilisation of the rupee. That is a pertinent question. I say this is the only way by means of which prices can be stabilised. I have discussed this thing on the floor of the House repeatedly, but I am sorry that the Finance Members paid no attention to it. There are three important problems which I have been pressing. Probably I am in the minority of one, but I am of my theories. I am sure sooner or later the Finance Member and the House will accept my three propositions. The first proposition is the Railway Reserve, the second is to make labour business partner in the firms and the third is the method of the stabilization of internal prices in paper rupee. The only method by which you can stabilise the price of the rupee is to fix the value of the paper rupee in terms of gold and silver. Unless the value of the paper rupee is fixed in terms of gold, it is impossible to stabilise the value of the paper rupee in this country. You must fix and determine that when the present world price of gold is about Rs. 43 a tola. We ought to keep it within the limit of 2 to 3 per cent., and not more. At this rate we ought to be able to purchase gold in this country. If we achieve this object, we can fix the price of silver rupee in terms of gold at Rs. 45 a tola. Then and then alone you can make a beginning for stabilisation of price of other commodities, wheat, cloth and other things. In fact if you want to eradicate black market, the fundamental thing is the fixation of price. You cannot fix the price of wheat or cloth or any other article in terms of the paper rupee unless you begin with gold first and fix the price of your paper rupee in terms of gold. And that price according to the present value ought to be not more than Rs. 45 per tola. But if you allow gold to be sold at Rs. 100 a tola by the Reserve Bank and sold to the highest bidder you cannot stabilise the price of the silver rupee, and the seller of wheat also will claim the right to sell to the highest bidder and they will say you have no right to control them. The moment you fix it the customers will not get it because it goes to the black market. So unless you fix the price of the paper rupee in terms of gold you cannot stabilise prices in this country. And the Bretton Woods Agreement gives you an opportunity to achieve it. In this particular Bill they have fixed the purchase price of gold by the Bank, but not the selling price, the lacuna is there. I asked the Governor of the Reserve Bank to raise this question in the general meeting, which he unfortunately could not do, that in fixing the purchase price they should fix the sale price of gold also. Unless that is fixed in terms of the paper rupee by the International Bank it is impossible for any country to stabilise the internal prices; and the difficulty will arise not only in India but in every other country. And if for nothing else, only for this reason I will support the International Bank and Fund if they succeed in stabilising the value of gold. Gold has unfortunately got two positions,—as a commodity and as a measure of comparing different currencies. As a student of mathematics the first lesson my Honourable friend must have learnt about a unit of measurement is that it must be fixed and definite. So

if you are to compare different currencies the price of gold must be fixed definitely, otherwise there will be chaos. This thing will not do. I pointed out while discussing it in the Committee that in the case of gold we will be led to the same conundrum to which Sir Bertrand Russell was led when he lectured on the philosophy of mathematics that a class of classes is at the same time a class and an individual. We will have the same conundrum if gold has a fixed value when used as a measure and an arbitrary value when used as a commodity. That is absurd; and all your talk about the International Bank will come to nothing unless you fix the purchase price and the sale price of gold and bring them on a par with one another.

Then we say the value of the rupee should be fixed in terms of gold, but how will you fix it? In India we get gold for Rs. 100 while in other countries you get it for Rs. 43. So if you have here two prices, internal and external, your measure changes. It becomes like an India rubber which may be extended to any length. You cannot compare the currencies of different countries when you can stretch it from Rs. 43 to Rs. 100. Then my Honourable friend makes further trouble by putting on it an import duty of Rs. 20 per tola, of gold which is not a commodity according to him. What I now suggest is that this International Bank should be the sole purchaser of all the gold that is produced in the world and at fixed prices and then it should be distributed at fixed prices all over the world. If your International Bank has got one value, Rs. 43 for instance, and the miner in South Africa sells it to the highest bidder at any price, the measure of comparing the values of currency in different countries is abused and the price is raised according to demand. There is no question of demand in the case of a commodity which is used as a measure. Therefore if you want to stabilise prices all over the world, whatever applies to India will apply to other countries also. You may manage prices by means of Ordinances and Regulations, but if you want to stabilise prices all over the world you must fix the purchase price and sale price in terms of the currency of every country. It is useless for the Finance Member or any one else or the International Bank to say that the price fixed for the rupee is so many dollars. But when the dollar is also measured in terms of gold it will be impossible for us to stabilise the purchasing power of the rupee; and if that is not stabilised in terms of gold it cannot be stabilised in terms of any other commodity. Attempts were made by my Honourable friends like Sir Ramaswami Mudaliar and Sir Azizul Huque and Sir Akbar Hydari to fix the price of wheat and cloth, etc., but they all failed. It is not possible unless you stabilise the purchasing power of the rupee in terms of gold. Therefore I impress on the Finance Member to tell the British Government that we should have a clear account of our sterling balances, that they should not be written off and arrangements should be made for their repayment. As a corollary to that I would press that the payment should be made in a manner that they stabilize and reduce the prices and not only change the sterling into rupee balances.

The other point is that all the arrangements would fail unless definite arrangements are made with the International Bank that the prices of every currency are fixed in terms of gold. If those prices are fixed only on paper but not in reality, then I am sure that this whole system will breakdown. Therefore I say that for the improvement of trade this thing ought to be done, but at the same time it is desirable that this arrangement should be made immediately.

And now I come to the main question—the Bretton Woods Committee Report itself. As regards this Report, if you take away all the subsidiary points which I and every one else have been discussing, then there is not very much left in the Report. There is a saying: *Khatmal ko mal mal kar bhainsa kia*. (We have rubbed the bug so much that it has become a buffalo). It was a small problem, but we have been talking and talking over it, with the result that it has become a buffalo. I put this question on the first day when this matter was brought before us, and I raise the same question again. Every country will have to trade with other countries. India will have trade with other

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countries of the world and other countries will have trade with this country. First of all the question is whether we should have restrictions on trade or whether there should be freedom of trade. I am sure there is only one answer to this question and that is there should be freedom of trade. If there is freedom of trade, we know that payments cannot be made in terms of currency notes because currency notes have got value in India but not outside India. You can make payments in two ways; One is that you have the barter system with other countries and see that imports and exports equalize because the difference cannot be paid by us in any other form. Such a system is exceedingly difficult. Germany had this system just before the war—from 1933 to 1939. They had opened accounts with each country separately. If anybody wanted to import a thing from India, they said all right find out a person in India who will purchase something from Germany of equivalent value. So that if I want to sell something I have got a double problem: Therefore this barter system is inconvenient. What is the other method? The other method is that you have some kind of clearance house, a kind of Central Bank which at the end of the year will clear off plus and minus against all the trading countries, and whatever may be the balance it should be paid in gold. Actual payments will be very small. It will be something like the game of Bridge. I am not a Bridge player of course, but I know if you play for two or three days, the net result after minus and plus points will not be much. Therefore, I say, Sir, that if this is done through an International Bank, we will find that the amounts to be paid actually at the end of the year will be very small.

Some one asked what will happen to our money? Well, the money that we are contributing will remain in India. It will be with the Reserve Bank. Some people are under the impression that we will be sending our money to the United Kingdom or America. No, it will remain in India. If anything goes wrong, the money will be in our possession, and not only our own money but of some of the neighbouring countries also. Our possession will be greater than our contribution. Therefore the chances of a loss are very small indeed. All these bogeys that we are losing have no basis.

Seth Yusuf Abdoola Haroon (Sind: Muhammadan Rural): Sir, there is too much noise in the House.

Mr. Deputy President: I have drawn the attention of the Honourable Members to that already that this is not right that they should go on talking between themselves so loudly as to disturb the proceedings of the House and I do not think that the Chair need repeat that.

Dr. Sir Zia Uddin Ahmad: We are not losing any money as some people seem to think. The transaction will be only a paper transaction. The money—gold or anything—will be in our possession and then we have got a rule that we can give notice at any time and withdraw. At the time when we chose to withdraw, the money will not be in America or England; it will be in our possession and it will always be more than our own contribution.

If there is freedom of trade, there must be some method of payment by one country to the other. There are so many different countries that if this is left to them there will be many combinations. This is very difficult and therefore I say that this is the only way in which payments can be made and by means of which credit of each country will be established. They will not demand foreign credit from any country which they demand at present. The question of foreign credit will disappear altogether. We are all pooling on foreign credits.

We are in favour of freedom of trade. I can talk on this subject for two hours more but I will not take much time of the House. Finally, I would like to say that if any one wants to use this Bretton Woods as a fulcrum for our sterling balances or for stabilizing the paper value of the rupee, it is another thing, but if you come to trade itself, you will find that it will be impossible

in the future world to carry on the trade freely with all these restrictions from our Commerce Member, who is really not the person who encourages trade but he kills the trade and we do not want the Government of India to kill the trade. We want the merchants to have freedom to carry on the trade with any country they like. If you have this freedom of trade, I ask any business man how can it be done. Either you establish a foreign credit in each country, which is impossible, or you have a barter system, which is just as impossible. That is the only method by which you can have freedom of trade in any country.

With these words, I support the motion.

The Honourable Sir Archibald Rowlands: This, Sir, is perhaps my last appearance in this House. I listened with fascination and admiration to the wonderful feat of watering the capital of the international monetary fund by Dr. Zia Uddin Ahmad. He translated gold into silver and water into gin. I notice he also took my glass. Well, I do not drink water, though I believe it is very good for keeping the teeth healthy; yet I have not much use for it. But I could not follow him right through. He as an individual, is in a class by himself. He took us to Germany and said that Dr. Schacht used to exchange moath organs for hides and skins. That is one very good method of trading.

I do not think I want to say a great deal about the able speech of Mr. Manu Subedar. I have heard it several times before in the Session. I believe that, if it were within the rules of this House to permit me to introduce an amendment to the Lord's Prayer, I would hear all about sterling balances, dollar balances, negotiations,

Dr. Sir Zia Uddin Ahmad: And rupee balances!

The Honourable Sir Archibald Rowlands: I had forgotten about the rupee balances. I am doing my best to get some of them but I regret to say that he or some of his friends are preventing me from taking all the steps. Beyond that brief reference, I will not make any mention of a certain Bill which they all know about but which has been put to death out of duty.

As for the negotiations for sterling balances, I have discharged my duty in this House. I have left His Majesty's Government under no illusion as to the strength of feeling in this country on that subject and today I have received an assurance, without going into details, that His Majesty's Government are as anxious to start negotiations as soon as they possibly can. More than one speaker this afternoon indicated, I think, the real reason why they have not started. Perhaps, speaking on behalf of the Government, I had better again not mention names. We all know why and we all appreciate it but until that one difficulty is out of the way, it is neither in the interests of the United Kingdom or India to enter into these negotiations. I can assure the House that we are using the time given to us to very good purpose, and I think whoever goes to England to negotiate on sterling balances will be provided with a brief which ought to enable him to deal with any question or any argument raised even by the ingenious and brilliant Lord Keynes and his very brilliant team in the Treasury. That is, if they go to London. The question whether negotiations will take place in India or London is still open. There is no final decision on that point and there is no final refusal on the part of the United Kingdom to send a team out here.

Some complaint was suggested or made that the Cabinet Ministers who are out here should have been given an opportunity to study the position of the sterling balances. I think that, with Hindustan and Pakistan in the balance, they have quite enough balances to deal with in addition to the sterling balances. I believe that they are deliberately refusing to be deflected from the main task with which they were charged.

With regard to the par of exchange, there again we have not sat idle. We have made two or three studies of it and we have had consultations with the Reserve Bank of India. I think it would be wrong to indicate the conclusions

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we have reached. I do not think the conclusions will differ very much in six months' time from the tentative conclusions we have arrived at now.

As for Sections 40 and 41, there again, we have not sat doing nothing. I have been discussing the matter with the Reserve Bank and also the question of financing the future sterling purchases in India by different methods. I am not in a position to announce any final result. It is obvious that if India stays in the Bretton Woods Agreements, it will have to alter sections 40 and 41 of the Reserve Bank Act which, at the moment, compel the purchase and sale of sterling at a fixed rate. It may not suit India to follow sterling in the international fund at all and, as long as she is tied down by sections 40 and 41, she cannot do that. In any event, if India stays in the Fund, we shall have to change them.

There was one discordant voice, Mr. Deputy President. It was quite obvious that my friend, Mr. Abdur Rahman Siddiqi, whose championship of the rules of the House I greatly admire, took the opportunity of being, what he normally is, a naughty boy. He believed no one was in step and he was the only one who was in step. I enjoyed his speech as I think he did himself. Among other things he chose to make a savage assault on two members of that courageous community, called the Muslims, which I think was a little unfair of him. However, he did not succeed in exhausting Dr. Zia Uddin. I pictured myself as a nurse with Mr. Manu Subedar on one hand and Dr. Zia Uddin on the other and with Mr. Tyson on one knee and Mr. Ayyangar on the other knee. I would have thought Mr. Ayyangar just about the right weight.

I do agree with the tribute paid by Mr. Tyson to the Governor of the Reserve Bank and I am glad to have the opportunity of saying that I have, from independent sources, evidence of the admiration which his dignity, his ability and his general handling of the situation evoked in Savannah in the recent negotiations. It was of the very highest.

I will not take any more time except to move the motion standing in my name.

Mr. Deputy President: The question is:

“That this Assembly do approve the course of action proposed in paragraph 4 of the Second Interim Report of Committee on the Bretton Woods Conference Agreements presented to the House on Wednesday, the 17th April, 1946.”

The motion was adopted.

The Assembly then adjourned *sine die*.